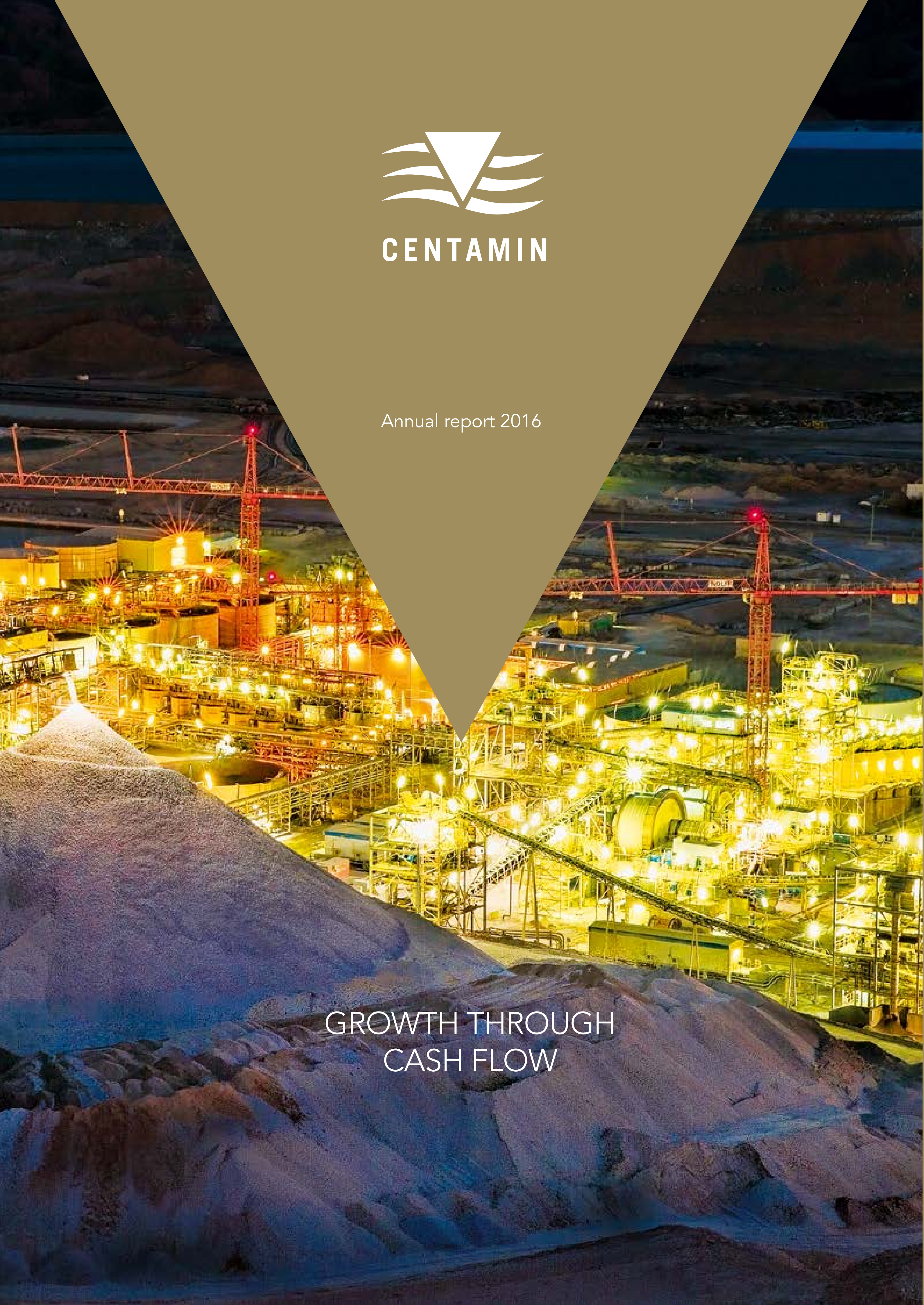


CENTAMIN

Annual report 2016

GROWTH THROUGH CASH FLOW

User guide

Welcome to the Centamin plc Annual report 2016. In this interactive pdf you can do many things to help you easily access the information that you want, whether that's printing, searching for a specific item or going directly to another page, section or website.

These are explained below.

DOCUMENT CONTROLS
Use the document controls located in the top right corner to help you navigate through this report.

NAVIGATING WITH TABS
Use the tabs to quickly go to the start of a different section.

LINKS WITHIN THIS DOCUMENT
Throughout this report there are links to pages, other sections and web addresses for additional information.

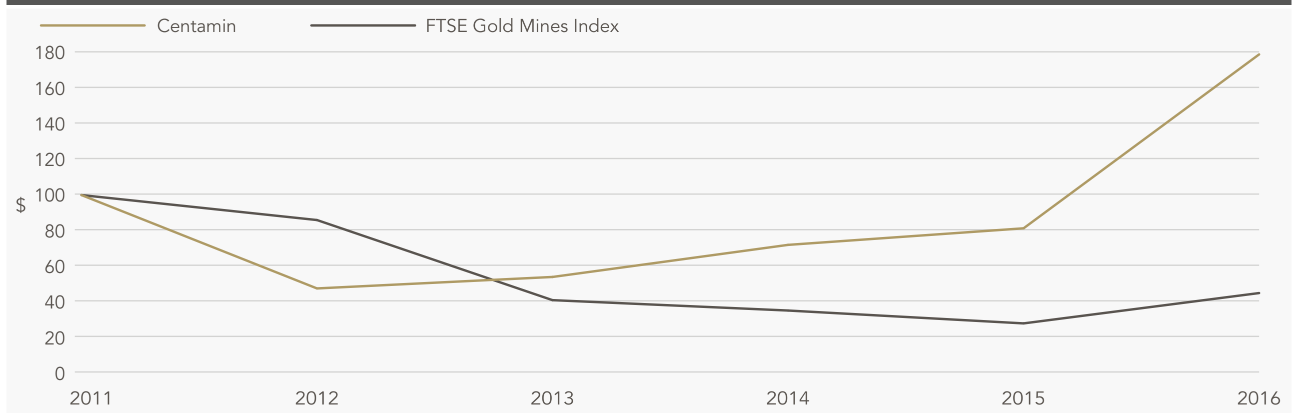
INVESTMENT SUMMARY

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 a production rate of at least 500,000 ounces per annum.

The major capital investment phase at Sukari was completed in 2014, allowing the generation of free cash flow and the opportunity for future growth and shareholder returns.

SHARE PERFORMANCE



This graph compares the Company's cumulative total shareholder return on its ordinary shares with the cumulative total return of the FTSE Gold Mines Index over the past five years assuming $100 was invested on 31 December 2011.

Visit us online
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INSIDE THIS REPORT

Strategic focus areas

We have established four areas of strategic focus:

Find out more on pages 22 and 23

Find out more on pages 24 and 25

Find out more on pages 26 and 27

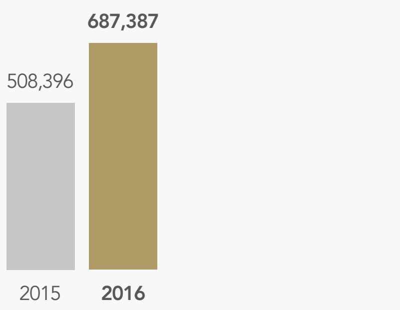
Find out more on pages 28 and 29

FINANCIAL HIGHLIGHTS

The Sukari Gold Mine remains highly cash generative and this is reflected in the group's financial results for the year ended 31 December 2016.

REVENUE

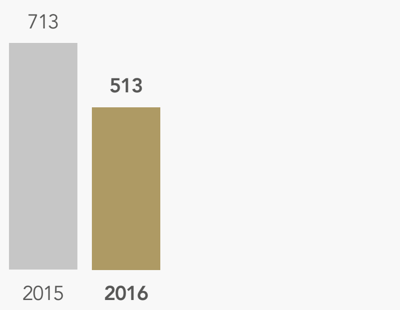
(US$'000)



2016 TOTAL[4]
$687m
2015: $508m

CASH COST OF PRODUCTION

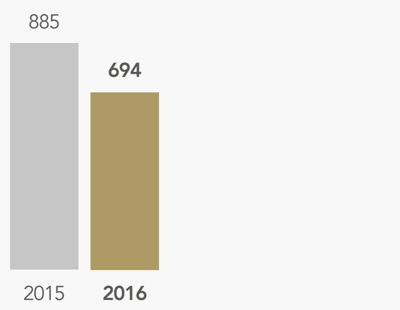
(US$ per ounce)[1,2]



2016 TOTAL
$513/oz
2015: $713/oz

ALL-IN SUSTAINING COST

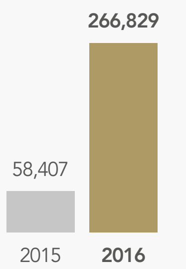
(US$ per ounce)[1,2]



2016 TOTAL
$694/oz
2015: $885/oz

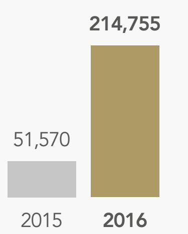
PROFIT FOR THE YEAR

Before tax (US$'000)[1]



2016 TOTAL[4]
$267m
2015: $58m

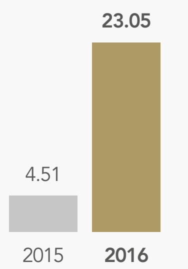
After EMRA profit share (US$'000)



2016 TOTAL[4]
$215m
2015: $52m

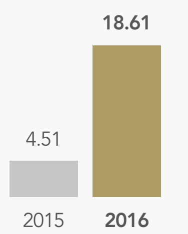
EARNINGS PER SHARE

Before profit share (US cents per share)[1]



2016 EPS BEFORE PROFIT SHARE
23.0c
2015: 4.5c

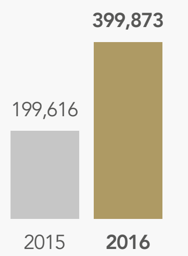
After profit share (US cents per share)[1]



2016 EPS AFTER PROFIT SHARE
18.6c
2015: 4.5c

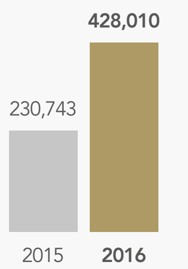
CASH BALANCES

Cash and cash equivalents at the year end (US$'000)



2016 TOTAL[4]
$400m
2015: $200m

Cash and liquid assets at the year end (US$'000)[3]



2016 TOTAL[4]
$428m
2015: $231m

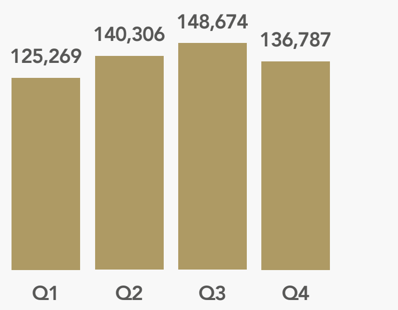
(1) Excludes fuel subsidy (i.e. based on the full international fuel price), please refer to note 12 to the financial statements for further details.
(2) Cash cost of production and all-in sustaining costs are non-GAAP financial performance measures with no standard meaning under GAAP. Please see the financial review for details of non-GAAP measures.
(3) Includes cash and cash equivalents, bullion on hand, gold sales receivables and available-for-sale financial assets. Please see the financial review for details of non-GAAP measures.
(4) 2016 totals have been rounded to the nearest US$million.

OPERATIONAL HIGHLIGHTS

These highlights demonstrate that we have delivered on our strategic priorities by generating substantial operating free cash flow and providing returns to shareholders which stand out against our peers.

2016 QUARTERLY PRODUCTION

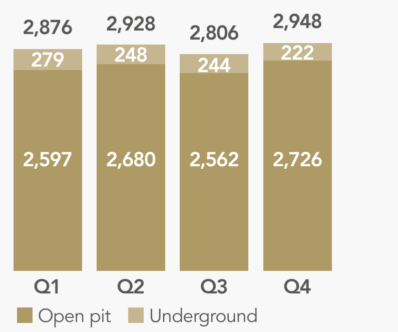
(ounces)



2016 TOTAL
551,036oz
2015: 439,072oz

2016 QUARTERLY ORE PROCESSED

('000 tonnes)



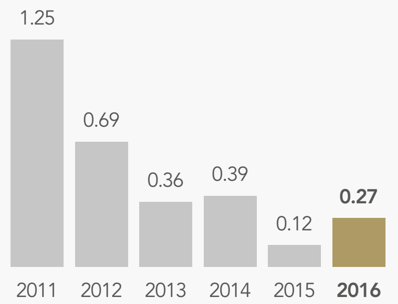
2016 ANNUAL ORE PROCESSED
11.56Mtpa
2015: 10.57Mtpa

SUKARI PROCESSING

- 2016 plant throughput 11.56Mt
- Annualised rate in excess of 11Mtpa base case forecast
- Average head grade 1.65g/t
- Metallurgical recovery 89.4%

LOST TIME INJURY FREQUENCY RATE

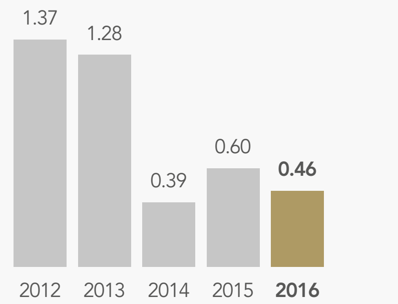
(per 200,000 working hours)



2016 ("LTIFR")
0.27
2015: 0.12

MEDICAL TREATMENT INJURY

(per 200,000 working hours)



2016 ("MTIFR")
0.46
2015: 0.60

SAFETY IS OUR PRIORITY

- Downward trend in LTIFR rate, as operations have scaled up
- Targeting a zero-harm safety record
- Improvements in MTIFR during 2016 which remained at low levels over the course of the year

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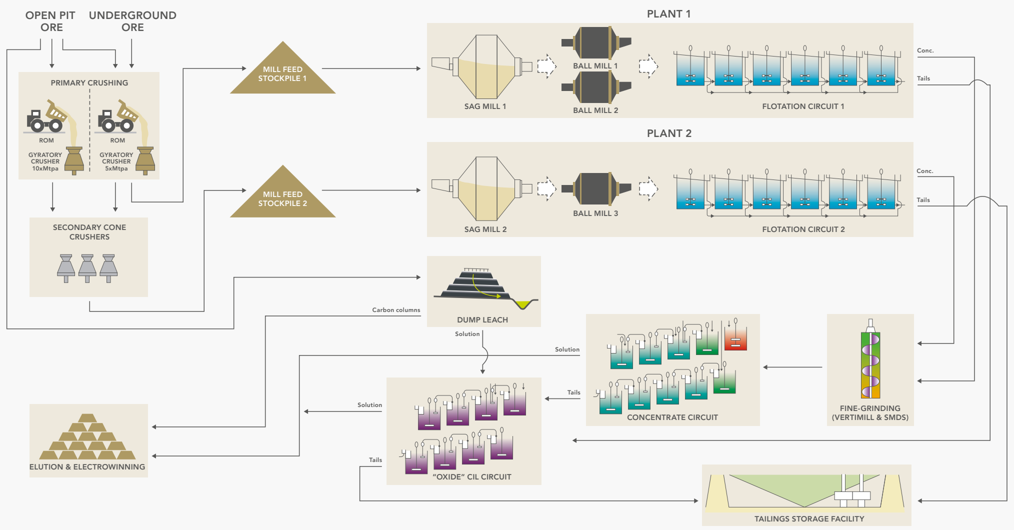
CENTAMIN AT A GLANCE

Production

Centamin remained focused on its drive for productivity and efficiency at the Sukari Gold Mine and ongoing optimisation of the processing and mining operations offers scope for further increases in productivity and production growth.

During the year both the processing and underground mining operations at Sukari achieved levels of productivity that were above our base case annualised forecasts.

SUKARI PROCESS



Process plant

The Sukari plant processed 11.6 million tonnes ("Mt") of ore in 2016, a 9% increase on the prior year (2015: 10.6Mt). The total annual processed tonnes were 5% above our base case forecast plant throughput of 11.0 million tonnes per annum ("Mtpa") and metallurgical recoveries of 89.4% were an increase on 88.8% in 2015. This performance reflected the ongoing improvements in productivity as the various areas of the operation were further optimised.

Open pit

The open pit delivered 62.2Mt of total material movement in 2016, an increase of 8% on the prior year (2015: 57.8Mt). This increase was related to improved mining productivity and equipment utilisation. The average mined grade of 0.93g/t was below the reserve average of 1.03g/t.

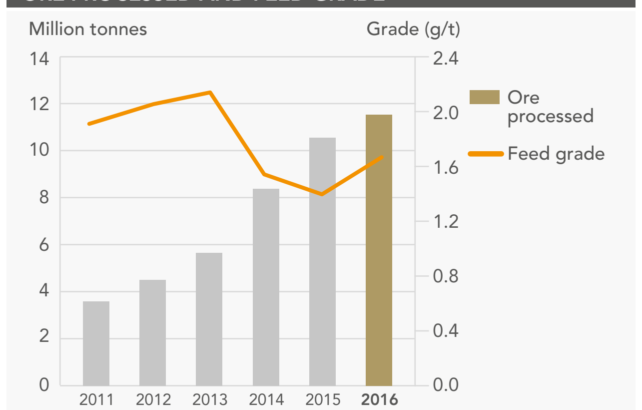
Underground

Ore production from the underground mine was 1.02Mt, a decrease of 12% on the prior year (2015: 1.16Mt), at an average head grade of 9.0g/t, a 40% increase on 2015 (6.5g/t).

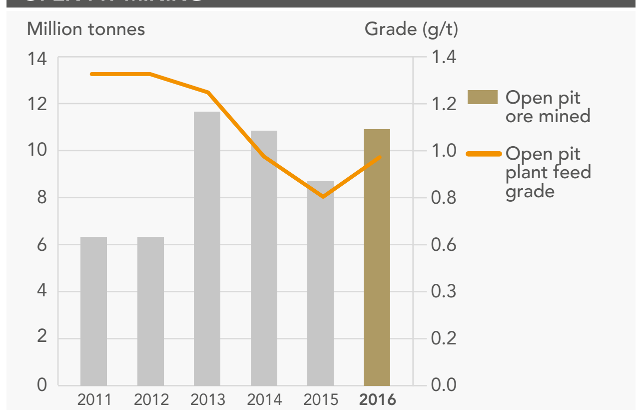
A total of 7,880m of development was completed, of which 6,051m was mineralised (4,003m in the Amun area, and 2,048m in the Ptah area) and associated with stoping blocks to be mined over the coming years.

THE LOCATION OF THE SUKARI GOLD MINE

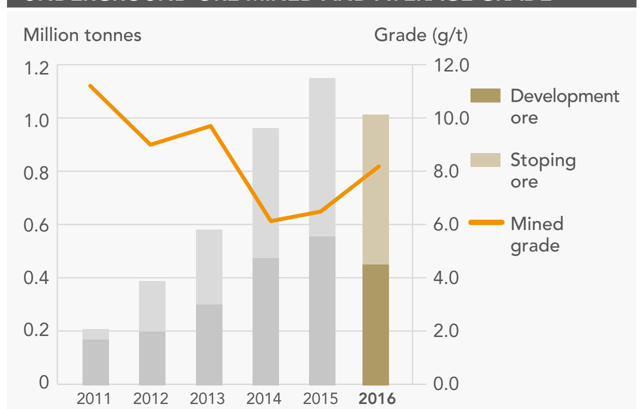
ORE PROCESSED AND FEED GRADE



OPEN PIT MINING



UNDERGROUND ORE MINED AND AVERAGE GRADE



CENTAMIN AT A GLANCE continued

Sukari – production upside potential

With continued optimisation at Sukari there is potential for further production growth beyond our current forecasts.

Processing

Plant throughput: current forecast processing rates of 11.75Mtpa, with potential to exceed a throughput of 12Mtpa with ongoing process optimisation.

Plant recovery: current forecast metallurgical recoveries of 89.75%, with potential to sustain circa 90% with ongoing process optimisation.

Open pit

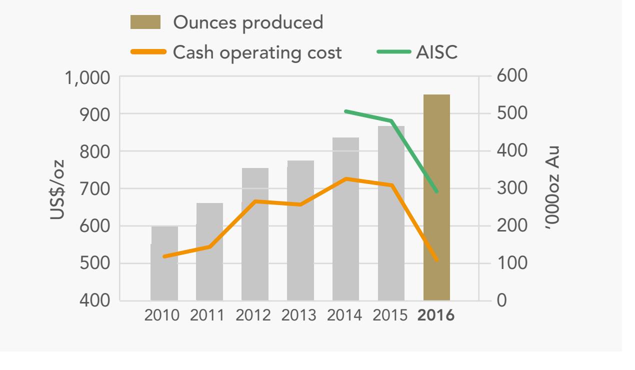
Fleet capacity: the mining fleet has total capacity above current forecast rates of 66.5Mtpa and therefore offers the potential to further improve scheduling of open pit ore.

Underground

Infrastructure capacity: current forecast ore mining rates of 1.0Mtpa, with potential to reach circa 1.5Mtpa from the existing Amun/Ptah declines as development progresses.

Cleopatra decline: new decline within the north-eastern region of Sukari Hill, aimed at developing infrastructure with the capacity to support mining rates of up to 1Mtpa. Ultimate production rates will depend on results from the ongoing exploration drilling programme.

PRODUCTION AND COSTS



Sukari – reserve

We expect further growth of the Sukari reserve over the coming years as underground development and exploration continues, and the numerous regional prospects are evaluated.

	Tonnes ('000t)	Grade (g/t Au)	Gold (Moz)
Sukari mineral reserve			
Proven and probable			
– open pit	250,000	1.03	8.3
– underground	2,720	6.00	0.5
Total mineral reserves	**252,720**	**1.09**	**8.8**
Previous reserves	230,000	1.11	8.2
Sukari mineral resource			
Measured and indicated	386,000	1.03	12.9
Inferred	33,000	1.00	1.1

Reserves and resources calculated as at 30 June 2015 in accordance with NI 43-101, using a gold price of US$1,300 per ounce. Mineral resources are reported inclusive of those resources converted to proven and probable mineral reserves. The estimated ore remaining in the reserve, net of depletion to the end of 31 December 2016, is 215Mt @ 1.08g/t totalling 7.47Moz.

- Targeting high-grade underground reserve growth to drive further production increases at Sukari.
- Resource and reserve update planned during 2017.

Life of mine ore remaining in reserve:(1)
215Mt @ 1.08g/t = 7.47Moz

(1) Basis of the 2015 reserve statement, net of depletion to end of December 2016.

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CENTAMIN AT A GLANCE continued

Exploration focused growth

Centamin remains in a strong position to continue investing in its long term growth throughout the cycle. Beyond Sukari we remain focused on our extensive licence holdings in West Africa.

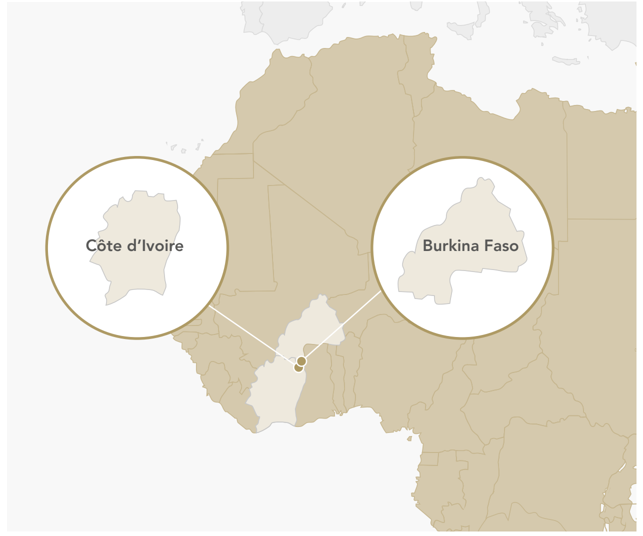
Underground development and exploration drilling commenced in 2016 within the north-eastern Cleopatra zone of Sukari Hill.

Sukari exploration

Drilling from underground remains a focus of the Sukari exploration programme as ongoing development improves access to test the potential high-grade extensions of the deposit. The Sukari Hill ore body has not yet been closed off at depth and further underground drilling will take place during 2017 from the Amun and Ptah declines.

During the second half of 2016 we began development of a new exploration decline within the north-eastern Cleopatra zone of Sukari Hill. The initial project is aimed at developing infrastructure with the capacity to support mining rates of up to one million tonnes per annum from this area, which would be in addition to the current underground ore production from the Amun and Ptah declines. Ultimate production rates will depend on future results from the development and exploration drilling programme.

Within the wider 160km² Sukari exploitation lease, a number of additional prospect areas have been identified by reconnaissance field work, including geophysical/geochemical surveys and first-pass drilling. These prospects offer the potential for satellite deposits to feed the existing processing plant with both high-grade and low-grade (bulk tonnage) ore. Exploration at these prospects is ongoing.



Côte d'Ivoire

Centamin has been progressing exploration work significantly in Côte d'Ivoire during 2016, conducting both regional reconnaissance and first-pass ground work, combined with detailed prospect scale drilling. We have circa 2,334km² licence area in Côte d'Ivoire and circa 2,489km² under application. A new discovery has been made at the Doropo Project in north-east Côte d'Ivoire, covering five prospects within a 5km radius, with a maiden resource estimate of 0.3Moz indicated at a grade of 1.6g/t and 1.0Moz inferred at a grade of 1.3g/t. The resource, using a 0.5g/t cut-off, is summarised in the table below and further detail can be found in the operational review. Exploration during 2017 will be aimed at increasing and upgrading this resource, in addition to identifying and drilling new prospects.

INDICATED			INFERRED		
Tonnes	Au g/t	Au koz	Tonnes	Au g/t	Au koz
5,750,472	1.62	300	25,290,406	1.26	1,032

METRES DRILLED BY CENTAMIN (POST-ACQUISITION) IN CÔTE D'IVOIRE	
Diamond	2,550
Reverse circulation	82,904
Air core	40,446
Auger	136,439

Burkina Faso

During 2016, the exploration programme involved systematic drill-testing of numerous targets along the 160km strike length of greenstone belt contained within our extensive 2,200km² licence holding. This led to the prioritisation of two key prospect areas, Wadaradoo and Napelapera. Further drilling is planned during 2017, focusing on both infill and extension drilling of the multiple resource development targets within these areas.

- The table shows a summary of the February 2013 resource estimate using a cut-off of 0.5g/t Au.
- The Konkera February 2013 resource estimate was prepared using JORC (2014) guidelines and meets the criteria of the NI 43-101.

INDICATED			INFERRED		
Mt	Au g/t	Au Moz	Mt	Au g/t	Au Moz
34.2	1.7	1.92	25	1.7	1.33

METRES DRILLED BY CENTAMIN (POST-ACQUISITION) IN BURKINA FASO	
Diamond	18,331
Reverse circulation	335,503
Air core	156,030
Auger	114,952

CHAIRMAN'S STATEMENT

"We remain focused on delivering peer-leading returns, through our value-driven growth strategy and a commitment to return excess cash to our shareholders.

Josef El-Raghy
Chairman

During 2016 Centamin's flagship Sukari Gold Mine continued to deliver substantial free cash flows, driven by a seventh successive year of production growth and by substantial reductions in operating costs. This performance has allowed Centamin to maintain its strategic focus on generating shareholder returns and value-accretive growth.

A significant milestone was achieved during the year, as the capital investment in the Sukari operation by Centamin's wholly owned subsidiary Pharaoh Gold Mines ("PGM") was recovered from cash flows to the extent that profit share commenced with the Egyptian government during the third quarter.

Centamin ended the year with US$428 million in cash, bullion on hand, gold sales receivables and available-for-sale financial assets. The increase of US$197 million during the twelve-month period highlights the continued potential of the business to self-fund its next stages of growth from cash flows, whilst at the same time sustaining industry-leading dividend returns to shareholders.

The board of directors approved an interim 2016 payment of 2.00 US cents per share (versus a 2015 interim payment of 0.97 US cents per share). I am now pleased to announce that, with the strong performance of our flagship asset and solid cash flows carrying through into the second half, a final dividend for 2016 of 13.5 US cents per share has been proposed for approval at the forthcoming AGM on 21 March 2017. This represents a full year pay-out of US$178 million, which is equivalent to approximately 70% of our net free cash flow in 2016 and follows the update to our dividend policy which was announced on 9 January 2017, as follows:

The Company's dividend policy sets a minimum payout level relative to cash flow while considering the financial condition of, and outlook for, the Company. When determining the amount to be paid the board will take into consideration the underlying profitability of the Company and significant known or expected funding commitments. Specifically, the board will aim to approve an annual dividend of at least 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.

Ore stockpile and conveyor belt at Sukari

This dividend policy and the proposed full year payment for 2016 reflects our commitment to maintain strong fiscal discipline in managing our existing portfolio of assets, and to return to shareholders any cash reserves above those required to sustain our value driven growth strategy. We also remain committed to our policy of being 100% exposed to the gold price through an unhedged position and with a zero-debt balance sheet.

During the year both the processing and underground mining operations at Sukari achieved levels of productivity that were above our base case annualised forecasts. As a result, full-year production of 551,036 ounces was above the revised guidance range of 520,000 to 540,000 ounces.

The cash cost of production improved significantly to US$513 per ounce from US$713 per ounce in 2015, below our revised forecast of between US$530 and US$550 per ounce, due to the above-forecast gold production and an 8% reduction in mine production costs. The main positive impact on costs was from reductions in the price set by the government for fuel, which remained below originally forecast levels throughout the year in line with lower international oil prices. In addition, during the fourth quarter local costs in Egypt were reduced in US dollar terms following a devaluation of the Egyptian pound. In line with the reduction in operating costs, the AISC of US$694 per ounce marked an improvement on US$885 per ounce in 2015, and was below our revised forecast of between US$720 and US$750 per ounce.

We expect the strong levels of productivity to be maintained in 2017, with forecast production of 540,000 ounces at a cash cost of production of US$580 per ounce and an all-in sustaining cost of US$790 per ounce. Ongoing optimisation of the Sukari operation, in particular within the processing and underground mining functions, continues to offer scope for further production growth and reductions in cash costs and AISC.

2016 revenues of US$687.4 million were up 35% year-on-year, with an 8% increase in realised gold prices and a 25% increase in gold sales. EBITDA increased by 145% to US$372.9 million, with an increase of gross operating margin resulting from the higher revenue and decreased mine production costs, discussed above.

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CHAIRMAN'S STATEMENT continued

"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.

Also in line with this increased margin, profit before tax of US$266.8 million was up 357% on 2015 and earnings per share (before profit share) for 2016 was 23.05 US cents, compared with 4.51 US cents in 2015. Profit for the year following deduction of profit share was US$214.8 million, equating to 18.61 US cents basic earnings per share (compared with 4.51 US cents in 2015).

The underground operation at Sukari is an important value-driver for our business and we expect further growth of the reserve over the coming years as development and exploration continues. In August, we commenced development of a new exploration decline within the north-eastern Cleopatra zone of Sukari Hill. Whilst the infrastructure is being developed with the capacity to support mining rates of up to 1 million tonnes per annum from this area, ultimate production rates will depend on future results from the drilling programme and development.

Centamin remains in a strong position to continue investing in its long term growth throughout the cycle. Beyond Sukari we remain focused on our extensive licence holdings in West Africa. Momentum continues to build in Côte d'Ivoire, with further prospective licence holdings added to our portfolio and a new discovery at the Doropo project in the north-east of the country, where drilling to date has led to a maiden resource estimate of 0.3Moz indicated and 1.0Moz inferred. Further work in 2017 will aim to upgrade and expand on this positive start towards project development. In Burkina Faso, we continue to evaluate data from the extensive drilling programmes carried out to date and further work is being planned for the year ahead. I look forward to updating you further in due course with our progress towards unlocking the Company's next stage of growth from these highly prospective regions.

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 that offer the potential for the Company to deliver on its strategic objectives.

Developments in the two litigation actions, Diesel Fuel Oil and Concession Agreement, are described in further detail in note 21 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 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 law, whilst in force and ratified by the new parliament, is currently under review by the Supreme Constitutional Court of Egypt. After a series of delays and adjournments, the Concession Agreement appeal has now been stayed until the Supreme Constitutional Court has ruled on the validity of Law no. 32.

Samples from Sukari underground mine

I would like to close by thanking all those at Sukari, in Alexandria, Burkina Faso, Côte d'Ivoire, Jersey and Perth for their efforts in 2016 as Centamin continued on its path to becoming an established, cash-generative and growing gold producer.

Your Company remains well positioned to deliver outstanding shareholder returns in the coming years. I look forward to updating you further over the course of 2017, and would welcome you to join us at our AGM, which this year will be held in Jersey on 21 March 2017.

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

1 February 2017

CHIEF EXECUTIVE OFFICER'S REPORT

> Whilst the gold market conditions improved, Centamin remained focused on its drive for productivity and efficiency, and undertook a growth strategy aimed at enhancing shareholder returns.

Andrew Pardey
Chief executive officer

A seventh successive year of growth in 2016 saw production of 551,036 ounces increase by 26% over 2015 and exceed the top end of our revised annual guidance range of between 520,000 and 540,000 ounces. Fourth quarter production was 136,787 ounces, an 8% reduction on the previous quarter, mainly due a lower average head grade of open pit ore of 0.85g/t (versus 1.14g/t in the third quarter), in line with the mining plan as a low-grade cutback in the east wall of the pit was developed.

Safety is a critical area of Centamin's performance and our aim is to ensure that every person returns safe at the end of each shift. Continued development of the onsite health and safety culture at Sukari has resulted in a low LTIFR for 2016 of 0.27 per 200,000 man hours. Centamin remains committed to further improving health and safety during 2017 towards our 'zero-harm' target.

The open pit total material movement in 2016 was 62.2Mt, an increase of 8% on the prior year due to improved mining productivity and equipment utilisation, at an average mined grade of 0.93g/t. During the third quarter of 2016, open pit mining rates had achieved our annualised base case rate of approximately 65Mt of total material movement (ore plus waste) and mined grades had progressed towards the reserve average. During Q1 2017 the open pit is scheduled to develop a low-grade east wall cutback and planned gold production will be lower than in Q4 2016. Grades are forecast to return towards the reserve average from Q2 2017 and the operation remains on a secure footing to deliver the scheduled material movements for the remaining mine life.

The underground mine delivered 1.02Mt of ore (a 12% decrease on 2015) at a grade of 9.04g/t (up 40% on 2015), achieving a sustained annualised rate in excess of our base case forecast of 1Mt per annum of ore at a grade of at least 6g/t.

Underground operators in the Cleopatra decline

The process plant also continued to operate at levels above our base case forecast rate of 11Mtpa, with 11.6Mt of ore processed in 2016 (a 9% increase on 2015). The average metallurgical recovery was 89.4%, an increase of 0.6% on 2015. Work continues to develop the potential to improve and sustain recoveries at the 90% level with increasing throughput rates.

Sukari's cost performance during 2016 provides a strong indication for the potential of the operation to generate significant free cash flow over the coming years. There was a year-on-year decrease in operating costs per tonne in both the open pit mining and processing areas, principally driven by reductions in the local diesel price during the first half of 2016, driven by international fuel price movements. During the fourth quarter, a devaluation of the Egyptian pound versus US dollar also had a positive impact on local costs.

As a result of these factors, the cash cost of production of US$513 was below guidance of between US$530 and $550 per ounce. The AISC of US$694 was similarly below guidance of between US$720 and $750 per ounce, despite an increase in sustaining capital expenditure of US$27 million (a 74% increase on 2015), mainly due to a planned increase in fleet maintenance costs.

Centamin had previously elected to make advance payments against future profit share from 2013 onwards, to demonstrate goodwill towards the Egyptian government. The total value of these payments, amounting to US$28.75 million, was recovered against entitlement to profit share by the Egyptian Mineral Resources Authority ("EMRA").

To the end of 2016, further distributions of profit share amounting to a total of US$18.5 million had subsequently been made to EMRA. Both EMRA and PGM will benefit from advance distributions of profit share on a proportionate basis in accordance with the terms of the Concession Agreement and considering ongoing cash flows, historic costs that are still to be recovered and any future capital expenditure.

Free cash flow generation from Sukari of approximately US$200 million has further strengthened Centamin's financial position during 2016, a trend we expect to continue as we forecast 2017 production of 540,000 ounces at a cash cost of production of US$580 per ounce and an all-in sustaining cost of US$790 per ounce. This guidance is based on a plant throughput of 11.75Mt and approximately 1Mt of underground ore mined at a grade of 7.26g/t.

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CHIEF EXECUTIVE OFFICER'S REPORT continued

> The objective of our producing asset, as always, is to generate substantial free cash flow.

Ongoing optimisation of the processing and mining operations continues to offer scope for further increases in productivity and production growth. At the underground mine, we see potential for further increases in mined tonnages whilst retaining a priority on stable grade delivery. The additional shareholder value that can be gained through improving the delivery of high-grade underground ore has the potential to be significant and requires no material capital expenditure. At the process plant, further planned upgrades to the secondary crushing circuit with an estimated capital cost of circa US$6 million offer the potential for throughput rates to exceed 12Mtpa. In parallel with these productivity improvements, there remains scope for lower unit costs as the expanded operation continues to be optimised and further efficiency gains are realised.

We expect further growth of the Sukari reserve over the coming years as underground development and exploration continues, and the numerous regional prospects are evaluated. An updated resource and reserve estimate for Sukari is expected in 2017.

The objective of our producing asset, as always, is to generate substantial free cash flow even under challenging gold price assumptions. In line with our updated dividend policy, and supported by the board's proposal for a final 2016 dividend of 13.5 US cents per share (equating to a full-year dividend of 15.5 US cents per share), we intend to return at least 30% of this cash flow to our shareholders. The remaining cash flows are allocated towards our medium and long term objective of organic growth, which is aimed at realising incremental shareholder value and returns.

We remain committed to our disciplined approach to capital allocation, as well as the potential for exploration to deliver significant shareholder value over the long term. Results from our programmes in Burkina Faso and Côte d'Ivoire continue to build momentum and warrant further investment, and we again exit the year with a robust financial and operating base on which to continue delivering our growth strategy.

Exploration at Sukari continues to prioritise extensions of the high-grade underground resource and reserve, as the development and drilling extends along strike and at depth. We expect to continue to deliver positive news in line with our strong results to date and a further resource and reserve update is planned during 2017.

During August, we began development of a new exploration decline within the north-eastern Cleopatra zone of Sukari Hill. The total project expenditure is expected to be US$11.5 million, of which US$3 million has been spent to date. A portal has been established and approximately 900 metres of development was completed to the end of the year. Initial exploration drilling has commenced to target multiple zones of high-grade mineralisation, as interpreted from existing data. The initial project is aimed at developing infrastructure with the capacity to support mining rates of up to 1Mtpa from this area. Ultimate production rates will depend on future results from the programme and further development, and would be in addition to the current 1Mtpa underground ore production from the Amun and Ptah declines.

In Côte d'Ivoire, exploration drilling over targets defined by geochemical and geophysical surveys has led to a new discovery at the Doropo project in the north-east of the country, adjacent to our licence holding across the border in Burkina Faso. A maiden resource of 0.3Moz at 1.6g/t indicated and 1.0moz at 1.3g/t inferred has been estimated from drilling results over five prospects within a 5km radius area. Preliminary metallurgical test work has returned positive results, indicating mineralisation is amenable to conventional leaching. Mineralisation at these prospects remains open along strike and at depth and drilling in 2017 will focus on expanding and upgrading this initial resource in these areas. Regional exploration will also continue to test existing and new prospects for laterally extensive and near-surface mineralisation. We have continued to expanded our portfolio of highly prospective licence holdings in Côte d'Ivoire and, with licence applications pending, we expect to increase this further during 2017.

Exploration drill rig in Côte d'Ivoire

In Burkina Faso, exploration during 2016 continued to test the potential for lateral and depth extensions of the more advanced targets, with priority on the Wadaradoo and Napelapera prospect areas. We continue to evaluate the results from these programmes, and the resulting interpretation will guide further drilling to be carried out in 2017. There remains potential to add significant shareholder value from this district-scale licence holding as we continue to make progress towards developing our next stage of growth in West Africa.

We expect a total exploration expenditure of circa US$25 million in 2017, split between Côte d'Ivoire and Burkina Faso. 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.

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 social responsibility report.

Our workforce 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.

We welcome Ross Jerrard who was appointed as our new chief financial officer ("CFO"). Ross joined Centamin from Deloitte Australia. He has worked in Southern Africa and the Middle East, including a three-and-a-half-year period based in Egypt, servicing a range of multinational and natural resources companies. I am pleased to report that during his first year as CFO, Ross has overseen continued improvements in the Company's financial control and reporting functions.

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 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 continued support and I am very much looking forward to another prosperous year for Centamin and its stakeholders in 2017.

Andrew Pardey
Chief executive officer

1 February 2017

BUSINESS MODEL

Our vision is to expand on our position as Egypt's first large scale gold producer to deliver increased shareholder returns.

OUR BUSINESS MODEL

Strategic focus areas

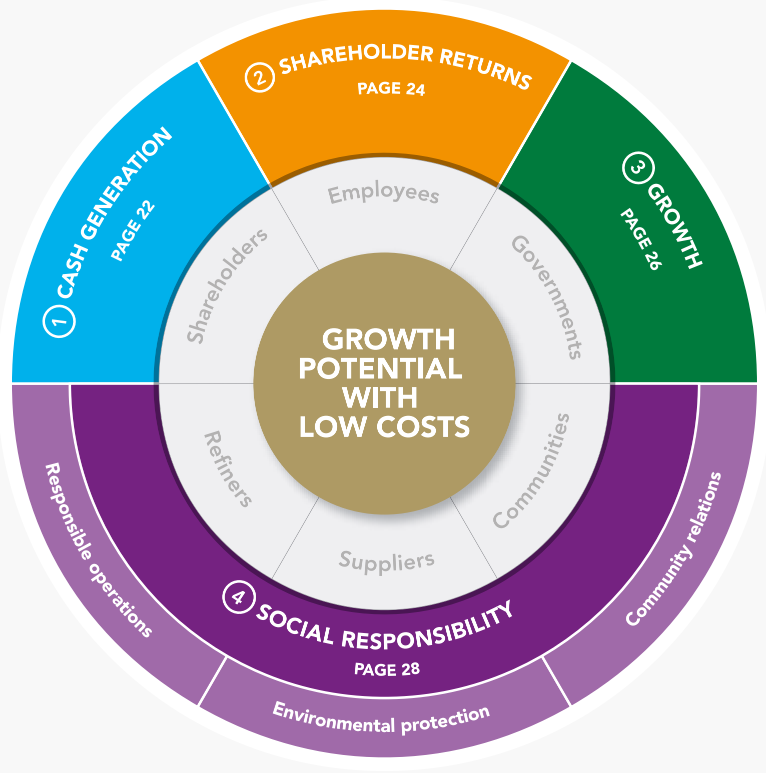
We have established four areas of strategic focus, as follows:

1. Cash generation
A rising production profile and focus on reducing costs.

2. Shareholder returns
Dividend returns and a strong balance sheet.

3. Growth
Developing a well balanced project pipeline with potential to add increasing production and incremental shareholder value.

4. Social responsibility
Ensuring the safety of our workforce and developing skills; conducting our business in a responsible manner and contributing positively to the local economy and environment.



Strategic enablers – key relationships

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

EMPLOYEES
Safety, welfare, training, professional development, wages, benefits, sustainable operations.

CONTRACTORS
HSES policies, induction training, monitoring.

GOVERNMENTS
Profit sharing and royalties, investment, 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, dividends.

Our value chain continues from early stage explorer through to gold production and is driven by our investments, employees and business culture.

OUR VALUE CHAIN

GREENFIELDS EXPLORATION
Early stage of exploration involving regional surveys leading to prospect generation and first-pass drilling programmes.

ADVANCED EXPLORATION
Targeted drilling programmes leading to resource and reserve estimates and feasibility studies.

GOLD PRODUCTION
Development of economically viable projects leading to profitable production of gold.

2016 PRODUCTION
(ounces)
2016 TOTAL
551,036oz
2015: 439,072oz

2016 ORE PROCESSED
(million tonnes per annum)
2016 TOTAL
11.56Mtpa
2015: 10.57Mtpa

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STRATEGIC REPORT

BUSINESS MODEL continued

Our KPIs and targets for 2017 are set out below:

STRATEGIC FOCUS AREAS	PRINCIPAL RISKS	OBJECTIVES	KPIs REPORTED IN 2016	KPIs SET FOR 2017
1 Cash generation	Priority 1 Single project dependency ▶ Joint venture ▶ Gold price and currency exposure ▶ Jurisdictional tax exposure ▶ Political risk – Egypt ▶ Political risk – West Africa Reserve and resource estimates ▶ Exploration development ▶ Production estimates ▶ Litigation ▶	• Competitive costs. • Stable production with opportunities for further increases through optimisation.	• Cash cost of production of US$513 per ounce, a 28% reduction on US$713 in 2015 and below revised guidance of between US$530 and US$550 per ounce. • All-in sustaining cost of US$694 per ounce, a 22% reduction on US$885 in 2015 and below revised guidance of between US$720 and US$750 per ounce. • 551,036 ounces produced, a 26% increase on 439,072 ounces in 2015 and above revised guidance of between 520,000 and 540,000 ounces.	• Targeted US$580 cash cost of production per ounce. • Targeted US$790 per ounce all-in sustaining cost. • Targeted production of 540,000 ounces of gold.
2 Shareholder returns	Priority 2 Single project dependency ▶ Joint venture ▶ Gold price and currency exposure ▶ Jurisdictional tax exposure ▶ Political risk – Egypt ▶ Political risk – West Africa Reserve and resource estimates ▶ Exploration development ▶ Production estimates ▶ Litigation ▶	• Share price performance relative to peers. • Dividend returns, with free cash flow to fund the next stage of growth.	• Total dividend in 2016 of 15.5 US cents per share, an increase on 2.94 US cents per share in 2015 and equating to approximately 70% of net cash flow after sustaining capital and profit share and before exploration expenditure outside of Sukari.	• Annual dividend of at least 30% net cash flow after sustaining capital and profit share and before exploration expenditure outside of Sukari.
3 Growth	Priority 3 Single project dependency ▶ Joint venture Gold price and currency exposure ▶ Jurisdictional tax exposure Political risk – Egypt ▶ Political risk – West Africa ▶ Reserve and resource estimates ▶ Exploration development ▶ Production estimates Litigation ▶	• Developing a well balanced project pipeline, with potential to add incremental shareholder value by increasing production across the group. • M&A activity for greenfield or early exploration.	• Process plant throughput of 11.6Mt, a 9% increase on 2015 and above our base case forecast rate. • Exploration programme over licence areas in Burkina Faso. • Exploration programme over licence areas in Côte d'Ivoire.	• Resource/reserve replacement and expansion at Sukari, with a focus on the high-grade underground. • Drilling on priority targets in Burkina Faso and Côte d'Ivoire, providing the foundation for further resource development.
4 Social responsibility	Priority 4 Single project dependency Joint venture Gold price and currency exposure Jurisdictional tax exposure Political risk – Egypt ▶ Political risk – West Africa ▶ Reserve and resource estimates Exploration development ▶ Production estimates Litigation ▶	• Maintaining a safe environment to work, with opportunities for our employees to train and develop skills.	• LTIFR of 0.27 per 200,000 man hours, above our zero-harm target.	• Zero-harm safety record throughout the group's operations.

▶▶▶▶ Represent the areas of risk closely related to the strategic focus area.

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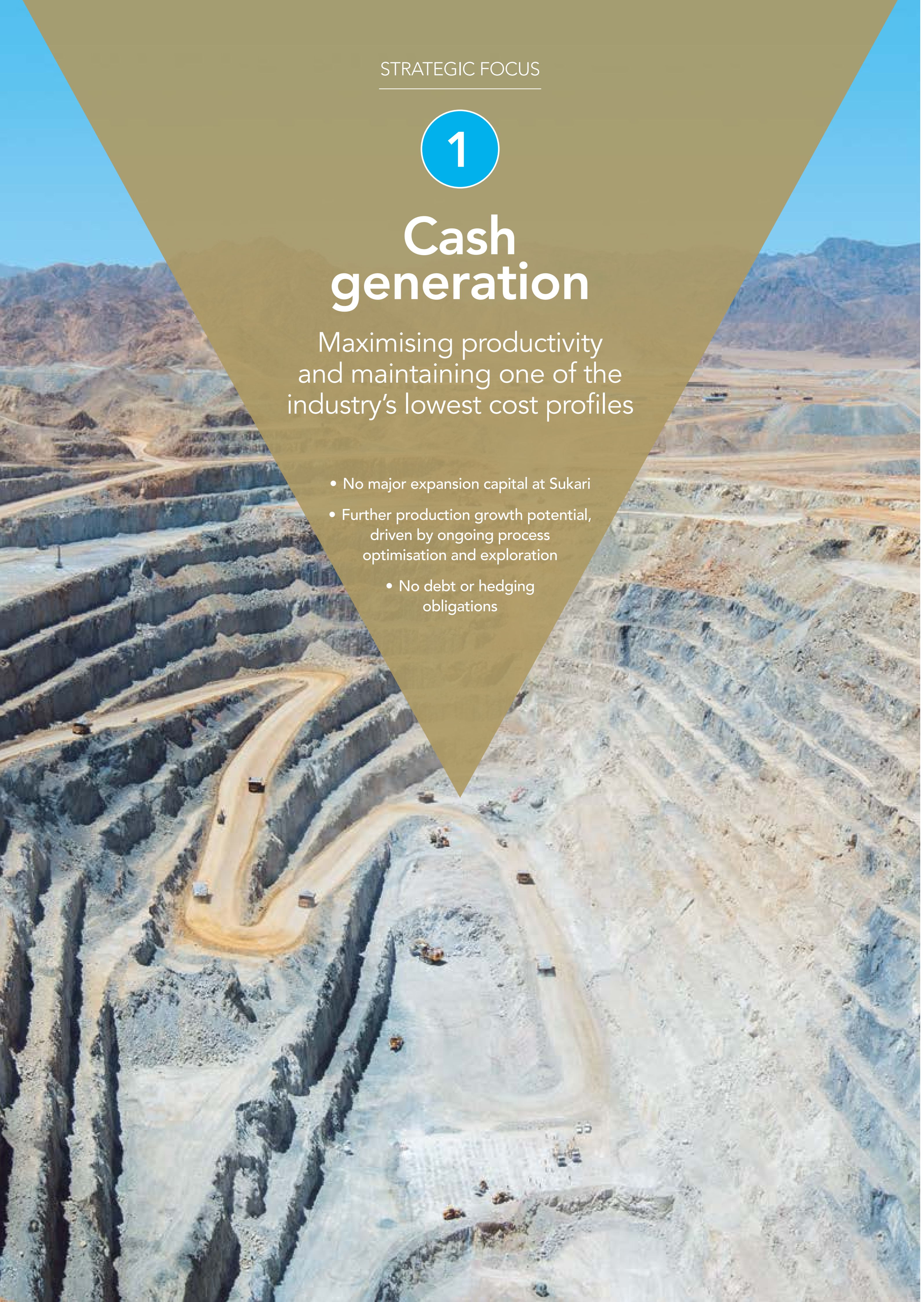

STRATEGIC FOCUS

1

Cash generation

Maximising productivity and maintaining one of the industry's lowest cost profiles

- No major expansion capital at Sukari
- Further production growth potential, driven by ongoing process optimisation and exploration
- No debt or hedging obligations

A record year of free cash flow from our flagship Sukari Gold Mine.

During 2016, the Sukari operation delivered against its potential to generate substantial free cash flows, as the expanded operation met, and subsequently exceeded, its base case target levels of productivity. With the potential for ongoing process optimisation and exploration to drive further production growth over the coming years, Sukari enters 2017 on a strong and stable footing for its remaining circa 20-year life of mine. Centamin has no debt or hedging and has US$428.0 million of cash and liquid assets at the year end 2016. The Company is therefore financially robust, is well positioned to benefit from a further recovery in the gold price, and has the financial flexibility to grow both organically and through strategic acquisitions.

KPIs reported during the year:

- cash cost of production of US$513 per ounce;
- all-in sustaining cost of US$694 per ounce; and
- revenue of US$687.4 million was an increase of 35% on 2015, driven by increased production and a higher average gold price of US$1,256 per ounce (US$1,159 per ounce in 2015).

Our KPIs reported for 2016 are set out below:

Cash		Q4 2016	Q4 2015	2016	2015
Cash cost of production	US$ per ounce	**536**	667	**513**	713
All-in sustaining cost of sales	US$ per ounce	**720**	842	**694**	885
Revenue	US$'000	**158,307**	130,196	**687,387**	508,396

KPIs set for 2017:

- targeted production of 540,000 ounces;
- targeted US$580 cash cost of production per ounce; and
- targeted US$790 all-in sustaining cost per ounce.

Underground grade control rig

HOW WE GENERATE FREE CASH FLOW AND DELIVER SHAREHOLDER RETURNS

PROJECT DELIVERY

- **Track record:** investment and construction phase at Sukari complete.
- **Production:** 2017 guidance of 540,000oz.

FOCUS ON COST CONTROL

- **Capex:** Sukari staged construction delivered on budget.
- **Low cash cost of production:** target of US$580/oz in 2017.
- **Low all-in sustaining cost:** target of US$790/oz in 2017.

OPTIMISING PRODUCTION

- **Upside:** further potential for production growth and cost reduction through process optimisation.
- **Reserve growth:** further exploration potential to extend the mine life and/or increase production.
- **Capex:** no requirement for further significant capital expansion.

STABLE FINANCES AND SHAREHOLDER RETURNS

- **Cash:** maintaining appropriate cash reserves.
- **Dividend:** competitive dividend policy.
- **Debt free:** no interest payments or hedging obligations.
- **Long life:** Sukari has a mine life of approximately 20 years on current reserves.

NEXT STAGE OF GROWTH

- **Cash flow:** post-dividend cash flows are used to fund growth.
- **New project generation:** Exploration projects in Côte d'Ivoire and Burkina Faso.
- **Acquisitions:** financial flexibility to acquire value-accretive projects.

STRATEGIC FOCUS

2

Shareholder returns

Dividend payments are prioritised

- Dividend policy to pay at least 30% of free cash flow[1]
- 2016 full year dividend 15.5 US cents per share (2.94 US cents for 2015)
- We remain committed to maintaining fiscal discipline and returning excess cash to shareholders

Centamin's board of directors is pleased to propose a final dividend for 2016 of 13.5 US cents per share, which will be paid on 31 March 2017 to shareholders on the register at the record date following approval at the AGM on 21 March 2017.

CENTAMIN IS COMMITTED TO ITS SHAREHOLDER RETURN POLICY

Interim dividend of
2 US cents per share

Final dividend of
13.5 US cents per share

Total dividend for 2016
15.5 US cents per share

In reflection of the free cash flow generation from Sukari, the 2016 full-year dividend of 15.5 US cents per share represents a significant increase on the 2015 payment of 2.94 US cents per share. This is in line with the Company's recently revised dividend policy, to pay an amount of at least 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. Centamin is committed to its shareholder return policy and, to the extent that future cash reserves exceed that required to maintain a stable balance sheet and also provide capacity for potential future growth, the Company is committed to make further returns to shareholders.

What we do for Egypt – stakeholder returns:

- direct payments to the government including:
  - an entitlement of US$51 million profit share to 31 December 2016; and
  - royalty payments of US$103 million to 31 December 2016.
- approximately US$3 billion investment to date (including capital and operational expenditure); and
- an average of circa 1,300 Egyptian employees (70 expatriates) and over 270 Egyptian companies supplying Sukari.

KPIs reported during the year:

- total dividend 15.5 US cents per share for 2016 (totalling approximately US$178 million); and
- total payout above the dividend policy range of 15-30% of the Company's free cash flow[1].

(1) After sustaining capital and profit share to EMRA and before exploration expenditure outside of Sukari.

Dividend policy and KPIs set for 2017:

- annual dividend of at least 30% of the Company's free cash flow[1].

Geologists in underground operation

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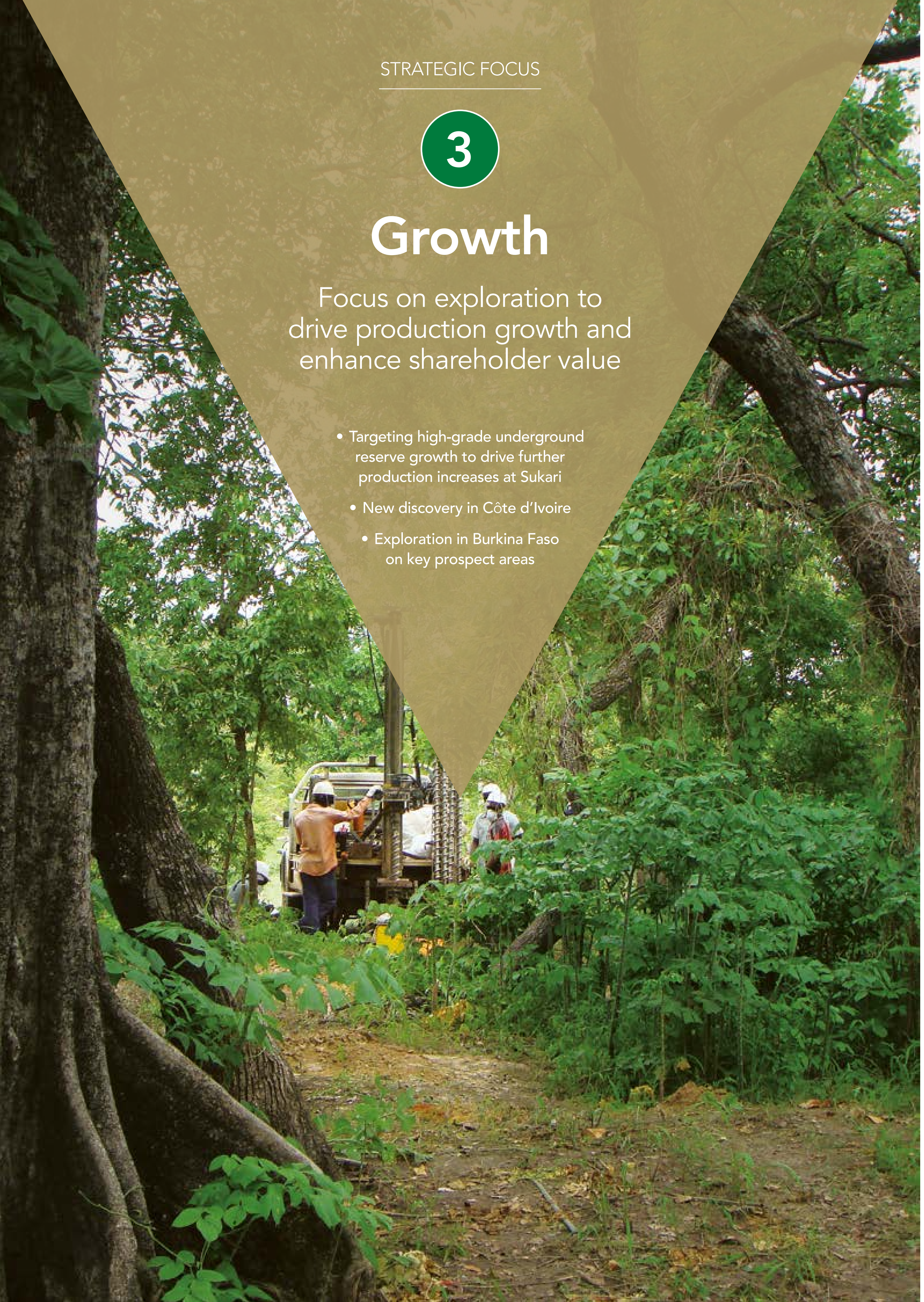

STRATEGIC FOCUS

3

Growth

Focus on exploration to drive production growth and enhance shareholder value

- Targeting high-grade underground reserve growth to drive further production increases at Sukari
- New discovery in Côte d'Ivoire
- Exploration in Burkina Faso on key prospect areas

Centamin is focused on its drive for productivity and efficiency at the Sukari Gold Mine, and undertakes a growth strategy aimed at enhancing shareholder returns over the long term.

Our strategy for growth is summarised in the table below.

NEAR TERM (1-2 YEARS)

- Further production growth at Sukari, driven by productivity improvements and resource/reserve expansion, with a focus on underground high-grades.
- Resource expansion and project evaluation in Burkina Faso and Côte d'Ivoire.
- Continue to evaluate selective M&A opportunities with the potential to develop low-cost projects.

MEDIUM TERM (3-5 YEARS)

- Achieve optimal production at Sukari through continued expansion and exploitation of the underground high-grade reserves.
- Development and first production in Burkina Faso and Côte d'Ivoire, assuming positive project evaluation.

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.

KPIs reported during the year:

- Sukari production of 551,036 ounces an increase of 26% on 2015; and
- new discovery and maiden resource at the Doropo project in north-east Côte d'Ivoire.

KPIs set for 2017:

- annualised production of 540,000 ounces;
- resource/reserve replacement and expansion at Sukari, with a focus on underground high grade; and
- resource expansion through systematic drilling programmes in West Africa.

SAG Mill at Sukari

EXPLORATION FOCUSED GROWTH

2017 guidance of **540,000** ounces
at a cash cost of production of US$580 per ounce and an all-in sustaining cost of US$790 per ounce

Maiden resource at the Doropo Project in Côte d'Ivoire of **0.3**Moz at **1.6**g/t indicated and **1.0**Moz at **1.3**g/t inferred.

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STRATEGIC FOCUS

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Social responsibility

The environment, workplace health and focus on employee safety

- Improvements in MTIFR and low levels of LTIFR
- Striving for a zero-harm workplace
- Progressive training for employees

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

Our employees

Our people are our most valuable resource. We are committed to attracting, energising, developing and retaining a highly skilled and experienced workforce. We value individuals with outstanding technical, professional and managerial skills who can contribute to a positive working environment and demonstrate willingness to lead, take responsibility and display initiative. We aim to foster a relation of trust and open dialogue between employees and management.

Health and safety

Centamin is committed to minimising health and safety risks to a reasonably practical level, while striving for a zero-harm, healthy and productive workplace.

Sukari

- Improvements in MTIFR during 2016 which remained at low levels over the course of the year.
- Hygiene standards improved progressively during the year.
- Regular and progressive training programmes at Sukari.
- Management of the scrap area at Sukari.

Safety performance	**2016 frequency rate[1]**	2015 frequency rate[1]	2014 frequency rate[1]	2013 frequency rate[1]
Fatality injury ("FIFR")	**—**	0.04	—	—
Lost time injury ("LTIFR")	**0.27**	0.12	0.39	0.36
Medical treatment injury ("MTIFR")	**0.46**	0.6	0.39	1.28

(1) Based on 200,000 working hours.

Burkina Faso

The project lies in Batie, Noymbeil, in the south of Burkina Faso. Batie is a town with a population of about 30,000 and has several cities and villages affiliated to it. The town is considered the least developed in Burkina Faso.

Safety performance	**2016 frequency rate[1]**	2015 frequency rate[1]
FIFR	**—**	0.2
LTIFR	**—**	0.62
MTIFR	**0.37**	0.21

(1) Based on 200,000 working hours.

Côte d'Ivoire

The Doropo project lies in the north-east of Côte d'Ivoire, across the border from Batie West in Burkina Faso.

Safety performance	**2016 frequency rate[1]**
FIFR	**—**
LTIFR	**—**
MTIFR	**2.45**

(1) Based on 200,000 working hours.

COMMITMENT TO IMPROVING HEALTH AND SAFETY

Key themes in the **social responsibility** report are as follows:

- committed to minimising health and safety risks; and
- development of highly skilled workforce.

Marsa Alam town

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RISK MANAGEMENT

"The process for identifying and assessing risk is an integral and inseparable part of the group's performance culture and processes and is therefore at the core of our business.

The principal risks described in the report can have a serious impact on our ability to deliver on our strategic aims. The management of risks through identification, monitoring and mitigation allows the group to improve its decision making process, deliver on its objectives and improve its performance as a mining company.

The report below covers the board's assessment of its risk appetite to key strategic decisions, our viability statement and details of our principal risks.

Risk appetite

Centamin accepts that 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. The group therefore can only manage, rather than eliminate risk completely. In considering risk appetite, the board considered the level of acceptable risk (tolerance), the attitude and culture towards risk and the ways in which the board can influence risk appetite throughout the business.

In considering risk appetite, the board was clear that Centamin had zero tolerance to breaches in health and safety and environmental protection. The board was clear about their objectives and strategy which could be managed and mitigated to an acceptable level.

The group's employees are paramount to the success of the organisation and therefore the group's policies and procedures demand the lowest levels of risk appetite and risk tolerance for employee and contractor health, safety and wellbeing. The group has a higher risk appetite towards its strategic objectives, such that risks are reduced to reasonably practicable levels, in the pursuit of mineral exploration, development and gold production. Meeting environmental, regulatory and legal obligations takes priority over other business objectives. In summary the principal risks, objectives and risk appetite are summarised below:

PRINCIPAL RISK	STRATEGY	MITIGATION/RISK APPETITE
Loss of revenue due to single project dependency	Maintain redundancies within the operating cycle and develop a well-balanced project pipeline.	Risk appetite is at an acceptable level, with appropriate levels of mitigation in place to reduce the likelihood of significant loss of revenue due to single project dependency.
Sukari Gold Mine joint venture risk and relationship with EMRA	Maintaining good relations with EMRA (our joint venture partner in Egypt).	Risk appetite is at an acceptable level, with appropriate levels of mitigation in place.
Gold price and currency exposure	The Company does not currently hedge against the price of gold or exposure to currencies.	The strategy is aligned with the risk appetite of the Company.
Jurisdictional taxation exposure	To minimise the complexity of the corporate structure ensuring tax neutrality within the holding group entities.	Simplification of the structure is ongoing, however, the mitigation in place is at an acceptable level and therefore operating within the parameters of our current risk appetite.
Political risk – Sukari	Maintain a detailed understanding of the political environment in which we operate as well as constructive relationships with government.	The Company operates within acceptable limits and the operation has continued to be unaffected despite a number of major political events occurring in Egypt. The Company supports Egypt's development of a modern mining code.
Political risk – West Africa	Maintain a detailed understanding of the politcal environment and key relationships where we operate.	The Company operates within acceptable limits.
Exploration and development	To ensure a progressive pipeline of greenfield and advance stage exploration projects to serve the next stage of growth for the Company.	The Company operates its exploration programmes within acceptable risk appetite parameters.
Reserve and resource estimate or failure to achieve production estimates	To achieve reliable and consistent production, whilst optimising the potential of the operation.	The Company operates within acceptable risk appetite parameters.
Litigation	To minimise exposure to litigation and reduce the impact of actions.	The Company is operating within its risk appetite parameters and the mitigation in place is at an acceptable level.

The group's risks may change over time, as will the group's risk appetite statement, as the external environment changes and as operations are expanded into new geographical areas. The risk management and review process requires regular monitoring of the Company's existing risks and the identification of any new and emerging risks facing the Company, including financial and non-financial matters. It also requires the ongoing management of the appropriateness of the risk mitigation in place.

Viability statement

In accordance with provision C.2.2 of the Code, the directors have assessed the Company's prospects over the longer term, addressing a period of five years. A key part of the directors' assessment was the budget and forecast carried out in December 2016 which reviewed the longer term viability of the Company. The review assessed the Company's position and progress against its four strategic focus areas including generating free cash flow, shareholder return, growth and social responsibility. The strategic focus areas are set out on page 20. In addition, the Company considered the potential impact on its principal risks, and also considered how its appetite for risk might affect the assessment. The review includes the Company's strategic objectives, business model and its prospects over the coming five years to December 2021.

The review, which included the presentation and approval of the budget, received board approval and formed the basis of an investor presentation which was released on 1 February 2017. The financial forecasts used in the review included key assumptions about gold price, future production levels, operating and capital costs, cash flows and the group's balance sheet and shareholder returns. The operational forecasts included mining and process plant throughput levels, grades and metallurgical recovery rates.

The operation at Sukari has a low cost-per-ounce of production compared with other operating mines, which contributes to the Company's longer term viability.

Integral to the long term viability of the Company is the Company's resource and reserves ("R&R") and details of Sukari's R&R can be found on the Company's website. The R&R statements are supported by technical reports (including the published TSX compliant NI 43-101) which are developed in consultation with external experts and combine geological, metallurgical and economic data.

The budget process, which pulls heavily on the R&R data, include key assumptions related directly to our significant risks, our strategy and risk appetite and are summarised below:

- **gold price assumptions:** management time and focus is applied to ensure a low cost operation, which helps Sukari remain profitable, even in a relatively low gold price environment. The strategic decision to remain un-hedged means the Company benefits fully in a strong gold price environment. In a weaker gold price environment, the commitment to cost control helps ensure business continuity;
- **commodity assumptions:** based on forecast prices, fuel represents approximately 20% of our operational costs and is therefore a significant commodity assumption in both the budget process and development of the R&R. This can therefore materially affect the cost base of the business; and
- **production assumptions:** Sukari is a 24-hour-a-day, seven-days-a-week operation with an estimated plant throughput capacity is 11.75Mtpa (12Mtpa from 2018). The process plant recovery rates are estimated to average at 89.7% in 2017. Maintaining and improving productivity is fundamental to our business and long term strategy.

Although the business does prepare plans over a longer time horizon, notably in the Sukari life of mine models, the Company chose five years for its viability statement and carried out the review in December 2016 based on this time horizon.

In preparing budgetary information and forecasts, the group considers the principal risks and wider corporate and operational risks. Of the principal risks identified on pages 32 to 35, those with the most potential to impact negatively upon the Company's ongoing viability include the gold price, the relationship with its joint venture partner, political risk and the ongoing litigation in Egypt. A sensitivity analysis was carried out on the key inputs to the financial and operational forecasts, including sensitivity analysis on the average gold price.

The investor presentation, together with the latest presentations can be viewed on the Company's website which contain the latest up-to-date operational and financial information.

The management team also considers strategic, operational and compliance risks throughout the year and produces the following reports and documents for the board and audit and risk committee review to support it in making the formal viability statement:

- operational risk assessment register and corporate risk matrix;
- annual impairment review;
- going concern review;
- life of mine model;
- business continuity planning; and
- monthly and annual budgets.

On the basis of all the procedures outlined above, the directors confirmed on the date of this report that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the five-year period of their assessment.

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RISK MANAGEMENT continued

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. 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 principal risks affecting Centamin and its operational and exploration activities together with the measures to mitigate risk.

RISK CATEGORY	TREND	NATURE OF RISK	MITIGATION	COMPANY OBJECTIVE/STRATEGY	OWNER
STRATEGIC RISK Single project dependency	Neutral	The Sukari Gold Mine currently constitutes Centamin's main mineral resource and sole mineral reserve and near term production and revenue. The resource in Burkina Faso is not currently of a sufficient size to convert into a reserve. Until further production growth beyond Sukari is identified the potential impact remains high and safeguarding the project is paramount to the Company.	**Sukari Gold Mine:** the project at Sukari 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. The second circuit of the process plant has been fully operational for over twelve months which shows the resilience of the project. In addition, the plant is fed by both the open pit and underground operation, providing high and lower grade ore to the processing plant. Operational activity and production is expected to continue at above nameplate capacity. Other mitigating factors, outside the single project at Sukari, include the continued focus on longer term growth and expansion through exploration and acquisition targets both inside and outside of Egypt.	To develop a well-balanced project pipeline, with potential to add incremental shareholder value by increasing production across the group. The regional exploration of the licence portfolio in Burkina Faso and Côte d'Ivoire continues.	**Executive:** CEO
INTERNAL STRATEGIC RISK Sukari Gold Mine joint venture risk and relationship with EMRA	Neutral	Whilst Centamin retains control over the project, the joint venture holding company, Sukari Gold Mines ("SGM"), is jointly owned with EMRA with equal board representation from both parties. 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 that may arise which can't otherwise be amicably resolved, arbitration or other proceedings may need to be employed to resolve any disputes. 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.	**Maintaining relations:** a key milestone was achieved this year, with the commencement of profit sharing with EMRA. Managing timing and quantum of payment of regular profit share payments, as well as applying and interpreting certain provisions of the Concession Agreement, is important in ensuring a good relationship with EMRA. Future expenditure and recovery of qualifying capital expenditure will also need to be managed, to be appropriately cost recovered by the Company.	Maintaining good relations with EMRA is a key objective of the Company which is achieved through co-operation, regular meetings and correspondence with EMRA, as well as making sure that the terms and conditions of the Concession Agreement governing the mine are fully complied with.	**Executive:** Chairman CEO CFO **Operational:** GM
EXTERNAL STRATEGIC RISK Gold price and currency exposure	Neutral	The extent of the Company's financial performance is due in part to the price of gold, which the Company has no influence over. Revenues from gold sales are in US dollars and Centamin has exposure to costs in other currencies including Egyptian pounds, Australian dollars and sterling. Centamin manages its exposure to gold price by keeping operating costs as low as possible.	The group is 100% exposed to the gold price, however, the cash costs of the Sukari gold project remain low compared with the industry norm.	The Company does not currently hedge against the price of gold or exposure to currencies. Natural hedges against currency fluctuations are utilised wherever possible to offset foreign currency liabilities.	**Executive:** CEO CFO
INTERNAL STRATEGIC RISK Jurisdictional taxation exposure	Neutral	The group's corporate structure includes operational activity in Egypt and West Africa held through holding companies in Australia and the United Kingdom. Exposure to changing cross jurisdictional tax legislation could have an adverse effect of the Company's ability to repatriate revenues.	**Tax exposure:** the group engages tax advisers to provide local advice at an operational level as well as corporate and structuring advice at a corporate level.	To minimise the complexity of the corporate structure ensuring tax neutrality within the holding group entities.	**Executive:** CEO CFO
EXTERNAL STRATEGIC RISK Political risk – Sukari	Neutral	The Company's operational activities are primarily in Egypt a country which has been subject to civil and military disturbance. Future political and economic conditions in Egypt could change with future governments adopting different policies that may impact the development and ownership of mineral resources. Policy changes and licensing may also impact the use of explosives, tenure of mineral concessions, taxation, royalties, exchange rates, environmental protection, labour relations, repatriation of income and capital. Changes may also impact the ability to import key supplies and export gold. 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. New laws have been introduced to protect and therefore encourage foreign investment which is a positive step for the country. Law no. 32 has been confirmed by Parliament, although it remains subject to a challenge in the Supreme Court.	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 and sets the applicable tax regime for a number of years. This law received full parliamentary approval as required by Egyptian law.	Maintain a detailed understanding of the political environment in which we operate as well as a constructive relationships with government. The Company undertakes to abide by the spirit and letter of the Concession Agreement as well as local laws and regulations.	**Executive:** Chairman CEO General Counsel

RISK MANAGEMENT continued

Principal risks continued

RISK CATEGORY	TREND	NATURE OF RISK	MITIGATION	COMPANY OBJECTIVE/STRATEGY	OWNER
EXTERNAL STRATEGIC RISK Political risk – West Africa	Neutral	The Company operates in Burkina Faso and Côte d'Ivoire. There are no assurances 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.	Policies have 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. Centamin actively monitors legal and political developments, engaging in dialogue with relevant government and legal policy makers to discuss all key legal and regulatory developments.	Maintain relationships with all key stakeholders, including regional governments, land owners and local chiefs. The Company meets its environmental and operational commitments set out in the permits/grants and local laws/ regulations.	**Executive:** CEO General Counsel **Operational:** GM
INTERNAL OPERATIONAL RISK Reserve and resource estimate	Neutral	Mineral resource and reserve figures are prepared by Centamin personnel and reviewed by externally appointed independent geologists. By their nature, mineral resources and reserves are estimates based on a range of assumptions, including geological, metallurgical technical and economic factors. Other variables include expected costs, inflation rates, gold price and production outputs. There can be no guarantee that the anticipated tonnages or grades expected by Centamin will be achieved both from the underground operation or open pit.	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 Form 43-101 dated 23 October 2015 and is available at www.sedar.com.	To achieve reliable and consistent production, whilst optimising the potential of the operation. The Company provides timely and accurate information to the market on production levels and forecasts.	**Executive:** CEO **Operational:** GM
INTERNAL OPERATIONAL RISK Exploration development	Neutral	Time and costs of exploration activity are recognised as exploration and evaluation assets ("E&E assets") on the balance sheet. E&E assets continue to be carried on the balance sheet where there is ongoing planned activity and the right of tenure is current. There can be no guarantee that an exploration project progresses to an economic resource and therefore there remains a risk that E&E assets are partially or fully impaired during a financial period where either a decision is made to discontinue a project or no further activity is scheduled.	The exploration for precious metal may not be successful and are highly speculative in nature. Before undertaking any exploration projects a full risk assessment in undertaken covering country risk, industry risks as well as a detailed technical review of the underlying geological data available. Management implements systematic drilling programmes across its exploration projects, with costs aggregated appropriately to licence areas and prospects.	To ensure a progressive pipeline of greenfield and advance stage exploration projects to serve the next stage of growth for the Company. Ensure systematic exploration programmes are carried out with costs attributed to licence areas and prospects so that they can be assessed for impairment.	**Executive:** CEO CFO **Operational:** GM
INTERNAL OPERATIONAL RISK Failure to achieve production estimates	Improved	Centamin prepares annual estimates for future gold production from 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. It should be specifically noted that the potential quantity and grade from the Sukari underground mine is conceptual in nature, that there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the target being delineated as a mineral resource.	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; the ore tonnes and grade mined from the underground operation which are outside the current reserve base; ground conditions, skilled and motivated labour force, processing capacity and maintenance policies and logistics for consumables and parts. Whilst there can be no certainties, production to date has provided confidence in management's estimation and mine planning methods and with the fully operational expanded processing plant, the prospect of improvements in reliable forecasting is increased.	To achieve reliable and consistent production, whilst optimising the potential of the operation. The Company provides timely and accurate information to the market on production levels and forecasts.	**Executive:** CEO **Operational:** GM
EXTERNAL OPERATIONAL RISK Litigation	Neutral	Centamin's finances, and its ability to operate in Egypt, may be severely adversely affected by current and any future litigation proceedings and it is possible that further litigation could be initiated against Centamin at any time. Centamin is currently involved in litigation that relates both to (a) the validity of its exploitation lease at Sukari and (b) the price at which it can purchase Diesel Fuel Oil.	In order to mitigate this risk Centamin has a) taken appropriate legal advice and continues actively to pursue its legal rights with respect to its existing cases (its legal advisers believe that Centamin will ultimately be successful in both of these cases); and b) actively monitors activity in both court and local media for signs of any legislative or similar developments that may threaten its operations, finances or prospects. The potential for serious impact should be balanced against Centamin's adherence to local laws and agreements; the Egyptian government's support of Centamin's investment; Law no. 32 of 2014 that should protect Centamin against litigation by third parties; and the fact that Egypt and Australia (PGM's place of incorporation) have in place a bilateral investment treaty.	To minimise exposure to litigation and reduce the impact of actions by complying with all relevant laws and regulations and to defend and/or bring any actions necessary to protect the Company's assets, rights and reputation.	**Executive:** Chairman CEO General Counsel

CORPORATE SOCIAL RESPONSIBILITY

"The HSES committee is focused on maintaining a safe environment to work, with opportunities for our employees to train and develop their skills.

Trevor Schultz
Chairman of the HSES committee

Dear shareholders

I am presenting this report in my capacity as chairman of the health, safety, environmental and sustainability ("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.

During the year, the HSES committee worked closely with management on the following matters:

- review of monthly and quarterly reporting on corporate sustainable development issues and initiatives;
- develop and implement HSES policies in Burkina Faso and Côte d'Ivoire;
- complete existing community initiatives at Sukari and the neighbouring town, Marsa Alam;
- steer community initiatives in Burkina Faso and Côte d'Ivoire; and
- review of environmental, health, safety and emergency planning issues.

The committee assisted in progressing the segregation and removal of material in the scrap yard at Sukari.

The committee was also encouraged by the level of training undertaken at Sukari, with many employees achieving certification following tailored training programmes in the following areas:

- fire safety training;
- emergency response training; and
- hygiene standards.

The wellbeing of our employees is a priority for Centamin and the committee will continue to ensure that health and workplace safety remain at the top of the agenda. One of our main priorities is for each employee to return home safely at the end of each day having worked in a zero-harm environment.

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, only applies to UK incorporated quoted companies. Centamin has, however, provided information relating to this legislation in this CSR report as part of its commitment to environmental issues.

The report below covers the key HSES issues for Sukari and concludes with information relating to the exploration activity in West Africa.

Trevor Schultz
Chairman of HSES committee

1 February 2017

HSES

The HSES committee members at the date of this report are Trevor Schultz (chairman), Mark Bankes and Edward Haslam, all of whom are independent directors of the Company. Kevin Tomlinson previously served on the committee prior to his resignation in May 2016.

Health and safety

Centamin is committed to minimising health and safety risks to a reasonably practical level, while striving for a zero-harm and productive workplace. We have designed and implemented systems, procedures and measures to manage occupational health and safety risks. These systems are implemented in full conformity with local legislation, licence and permit conditions, as well as taking account of international best practice standards.

In 2016, we were able to reduce the MTIFR further and we continue to strive for an injury-free environment and maintained low LTIF rates.

Safety conscious culture

We believe that safety is the responsibility of all employees and thus pursue the development of a safety conscious culture in our sites where safety is fully embedded across all operations and activities. We do this by empowering employees, giving them responsibility for their wellbeing as well as the safety of the colleagues they work alongside. Through training, coaching and leading by example, our employees are fully aware of the safety requirements and standards expected.

CASE STUDY: INTERACTIVE COMMUNICATION MECHANISMS

Continuous communication is maintained with employees regarding HSES through several channels. The tool box talks are an effective and easy method of safety communication. The talk provides an environment for interactive discussion and promotes a safety conscious culture. This timely communication addresses numerous safety aspects and supplements formal training. Other forms of communication include safety meetings, daily pre-shift meetings as well as safety alerts.

The Company is committed to continuously training the employees through comprehensive safety training and coaching programmes, including:

- a tailored safety induction for new employees, contractors and visitors;
- incident investigation and hazard identification and job hazard analysis and risk assessments;
- safety-specific training modules addressing work permits and procedures involved, first aid, fire extinguishing, 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 understanding and application. The training is undertaken by the onsite HSES department. Mandatory training is rolled out for all departments, encompassing area-specific training, field training and coaching.

Proactive approach and emergency response planning

The HSES team onsite prepare and train to respond quickly to emergencies. We have developed a detailed emergency plan with full response and rescue procedures for different potential risk scenarios. The plan is coupled with emergency arrangements for different areas of the operation.

Risk assessment is integral to 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 job hazard analysis for new and non-recurrent activities.

We undertake emergency drills to test our performance and our equipment. In 2016, we undertook 27 emergency drills covering different risk scenarios to test our emergency response, rescue and evacuation capabilities.

An inspection and maintenance programme is implemented to ensure all emergency response equipment is fit for use at all times.

CASE STUDY: BEING ALERT AND READY

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 mobilised in case of emergency situations. The team has received ample training and was coached for twelve months 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. The team implements a programme for routine inspection of emergency equipment and supplies and conducts random emergency drills to test the emergency response elements and check their effectiveness.

Contractor management

All contractors operating onsite are required to adhere to the implemented safety management system, whether they work for long periods of time or for short assignments. Currently there are around 519 permanent contractors at Sukari.

We provide and share information with our contracting teams, in support of our compliance and safety procedures. Contractors are provided with a standard health and safety induction pack upon their arrival at site and given full access to onsite health services.

CORPORATE SOCIAL RESPONSIBILITY continued

Tracking safety performance and safety performance indicators

A core element of our management system is to assess our safety performance and identify areas for improvement. The evaluation of our safety performance is essential to indicate the effectiveness of our systems and controls and to identify opportunities for continuous improvement. In that regard, we have monitoring systems in place for:

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

Monitoring methodology includes measurements, medical surveillance, auditing and 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. Reactive or responsive evaluation is also undertaken to investigate and analyse incidents and to identify root causes to help implement corrective measures.

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

All employees and contractors are required to report all hazards, near-misses and incidents 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.

CASE STUDY: EMPLOYEE WELLBEING AT SUKARI

Apart from all control measures adopted in operations, Sukari has a well-equipped clinic providing health and emergency related services 24 hours a day and seven days a week. A doctor and qualified nurse manage the clinic and provide professional services in normal and emergency conditions. A medical evacuation scheme MEDIVAC is in place supported by first aid facilities, as well as an ambulance for transportation to the nearest hospital. The clinic also provides guidance to employees for fatigue management. The clinic assesses and provides advice to help improve fitness levels. In addition, Sukari has a comprehensive health insurance scheme that covers almost all regions in Egypt. The scheme extends to members of the employee family.

Our safety performance in 2016 saw a considerable improvement in our medical treated injury ("MTI") frequency rate.

	2016 frequency rate(1)	2015 frequency rate(1)	2014 frequency rate(1)	2013 frequency rate(1)
Fatality injury ("FIFR")	**—**	0.04	—	—
Lost time injury ("LTIFR")	**0.27**	0.12	0.39	0.36
Medical treatment injury ("MTIFR")	**0.46**	0.6	0.39	1.28

(1) Per 200,000 working hours.

Emergency response training

Health and wellbeing

We pay the utmost attention to the wellbeing of our employees and their protection from exposure to occupational health risks. We provide protective measures and equipment for different operations ensuring the equipment is appropriate for the working conditions.

Medical tests, including blood analysis, are conducted regularly, particularly for laboratory personnel and those working with chemicals and metals. In 2016, the following tests and measurements were also carried out and the outcomes were as follows:

- internal health and hygiene audits confirmed the results were within acceptable limits;
- water quality sampling and analyses carried out by an external laboratory confirmed no major anomalies; and
- work environment monitoring and personal exposure levels recorded no anomalies and confirmed that Sukari was compliant with required standards.

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. We employ in-house health and hygiene officers who supervise food safety and undertake inspection and auditing on all components of the system. Periodic external audits are also undertaken. In 2016, the programme yielded very satisfactory results and a higher level of hygiene was achieved and maintained.

Our employees and contractors

Our people are core to the success of our business. We are committed to attracting, energising, developing and retaining a highly skilled and experienced workforce.

The Company's activities provide direct and indirect employment, training and work experience for many Egyptian employees. 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 of our workforce.

In Egypt, we employ 1,341 people of whom 95% are Egyptian. The remaining 5% are experienced expatriate mining professionals, which is well below the 10% maximum expatriate limit mandated by Egyptian law. 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 and they work in the group's office in Alexandria. This is 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 families.

Modern mining requires a highly skilled workforce. Egypt does not have a developed mining industry, therefore technical skills must be developed onsite. Centamin provides employees with the highest level of training on the latest technologies and international standards of best practice. By co-ordinating with the Egyptian Universities we are able to enhance the level of education in mining-related fields.

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

	31 December 2016	31 December 2015	31 December 2014	31 December 2013	31 December 2012	31 December 2011	31 December 2010
Egypt	**1,341**	1,316	1,296	1,340	1,120	1,106	985
Australia	**1**	1	1	1	1	2	2
Jersey	**9**	10	10	9	7	2	—
Burkina Faso	**95**	102	64	—	—	—	—
Côte d'Ivoire	**44**	30	11	—	—	—	—
Ethopia	**—**	3	31	37	45	47	—
Total	**1,490**	1,462	1,413	1,387	1,174	1,157	988

The table above excludes contractors onsite. The number of contractors onsite at Sukari, Egypt during the year averaged 519 individuals.

CORPORATE SOCIAL RESPONSIBILITY continued

Human resources principles

Our recruitment procedures and standards are innovative and target those who will have not only the relevant competence, skills and qualifications, but who have potential for growth and development and could integrate within a large team working in a remote area. Our human resources policy provides the framework within which we operate. It delineates the rights, obligations and benefits for employees. Our policies ensure:

- all employees have the same rights and obligations and there is no discrimination based on religious grounds, nationality or political views;
- employment decisions, such as hiring and promotion are based on the ability of a person to perform the job in question, without regard to personal characteristics that are unrelated to the inherent job requirements;
- harassment of employees by anyone and in any way is not tolerated;
- any practices of 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 HSES performance in the Company;
- child or forced labour is prohibited, whether in our permanent employment or in contractors' workforces; and
- we are committed to the highest ethical standards and behaviours as firmly rooted in our code of conduct. The code secures the adherence to set principles and promotes confidence in the integrity of the Company.

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

We expect all 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. All employees are required to understand and act in accordance with the Company's requirements and to fully integrate within the work team.

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, initiative and innovation. The appraisal is undertaken by the immediate supervisor and the performance is agreed with the section head. The process also identifies the need for training or coaching, modification of responsibilities or opportunities to undertake more challenging roles and responsibilities.

Capacity building and development

We actively invest in securing the full spectrum of skills and competencies needed for effective operations. We adopt a development plan for each position to enhance skills and qualifications for the Egyptian staff to become a workforce of international repute in the mining industry.

We work with all our employees closely and encourage those who show keenness and desire to develop new personal skills and experience. External training is arranged either onsite or abroad. Special training programmes are designed for database, software and surveying with distant learning and support opportunities.

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

Recreational facilities onsite

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 staff 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 and satellite television. Special barbecue dinners are also held at the beach or around Sukari and sports tournaments are regularly organised. Sukari has also arranged accommodation complexes outside the site in Marsa Alam city centre.

The environment

Our HSES policy outlines our commitment to environmental responsibility. One of Centamin's core values is to minimise the environmental impact and risk of an incident from its operations to a reasonably practical level. We remain committed to maintaining, and whenever possible exceeding, the high level of environmental performance that we achieved in 2016.

An environmental and social impact assessment was prepared as part of the project feasibility study at Sukari. We strive to maintain high standards of environmental performance. We meet, and where possible, 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. The environmental management scheme for the Sukari Gold Mine includes a monitoring programme designed to evaluate compliance with environmental laws, regulations, Company policies and international best practice. The system covers waste management; material, water and energy management; management of hazardous substances and chemicals and biodiversity management.

Children's playground in Marsa Alam

Maintaining an environmentally responsible culture

Employees are made aware of their environmental responsibilities and relevant procedures through a number of means. We maintain an established programme of environmental training and awareness. The programme addresses different environmental fields including chemical management; waste management; emissions and water conservation, as well as general environmental management practices. Other forms of awareness are undertaken through meetings and tool box talks.

Resource management

Systems and procedures are in place to ensure efficient and safe handling of material used at the mine including 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. Our emergency response system includes spill prevention and response measures.

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

Water management and groundwater protection

Water is a crucial input for our processes and therefore it is essential to secure and maintain a sustainable water supply for our operations. In an area with limited fresh water resources, 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 through the soil. 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 then recycled throughout the process plant ensuring optimum usage of this resource. This is undertaken through an internal recycling system where different water streams are deployed in closed-loop systems to reduce consumption as much as possible. We strictly monitor our water use and strive to adopt measures for efficient use of water.

In 2016, we used a total of 8,742,685m^3 with a reduction of 10% compared to 2015 (9,743,584m^3). About 99.5% of the water consumed at Sukari is sea water, which has no impact on fresh water resources.

Desalinated water used in the camps and offices is tested for chemical and bacteriologic parameters. Bottled water (used for drinking) is also periodically tested to ensure supplier standards and storage procedures are maintained. All samples are compliant with Egyptian legal requirements.

CORPORATE SOCIAL RESPONSIBILITY continued

Water management and groundwater protection continued

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. We monitor groundwater quality through monitoring bores downstream from the tailing storage facility to detect any potential contamination. In 2016, the monitoring of these bores showed no contamination.

CASE STUDY: RECOVERING VALUE FROM WASTE

At Sukari, we believe that waste has a value that must be recovered to the most practically feasible extent. In that respect:

- waste oil is recovered from oily filters before disposal, waste oil is recycled offsite within a national system;
- food waste is transported offsite to our neighbouring Bedouins to use as animal fodder;
- spent chemical solutions are recycled in the process plant after appropriate treatment;
- empty plastic containers are cleaned and used as waste baskets all over the site; and
- discarded timber is used to make benches at the site and in Marsa Alam streets.

Energy

Marsa Alam, the region in which the Sukari Gold 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 2016, Sukari consumed a total of 141,346,040 litres of diesel, an increase of 8% from 130,687,478 litres in 2015. About 65% of this quantity is used in power generation and the rest is used in operating mobile equipment and vehicles.

Calculation of the direct greenhouse gases ("GHG") emissions is based on the Intergovernmental Panel on Climate Change Guidelines for National Greenhouse Gas Inventories. In 2016, the Sukari Gold Mine consumed 397,568[(1)] tonnes of CO_2 to produce 551,036 ounces of gold. The emissions intensity for 2016 was 0.72 tonnes of CO_2 equivalent per ounce of gold produced. The figures show an increase in the efficiency of energy utilisation in 2016 compared to 2015, which in turn reduced the emissions intensity for 2016.

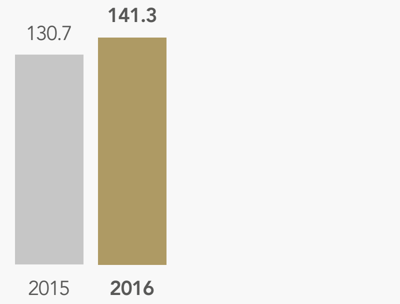
A review of alternative fuel sources to supply the processing plant is ongoing, but to date there have been no viable alternatives. Sukari has started to use solar energy in its new camp expansions.

Emissions, effluents and wastes

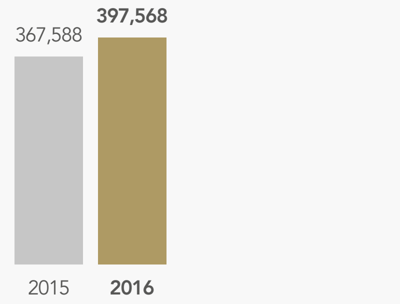
Systems and procedures are in place for the sound management of different environmental aspects including emissions, effluents, non-process waste, waste rock and tailings. The system is based on setting annual plans, development of documented procedures and standards, awareness and training of employees and monitoring of performance to achieve further improvement.

All our industrial wastewater streams are recycled within the process. Sewage is treated in a tertiary wastewater treatment plant and the treated water is used in landscaping. Periodic inspections are conducted on the treated wastewater and monitoring is undertaken for its effluent.

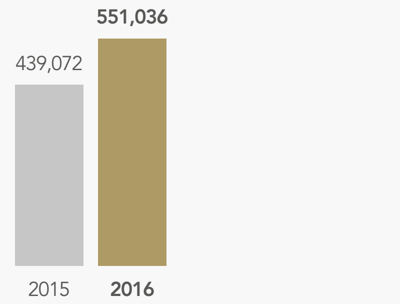
FUEL CONSUMPTION
(million litres)



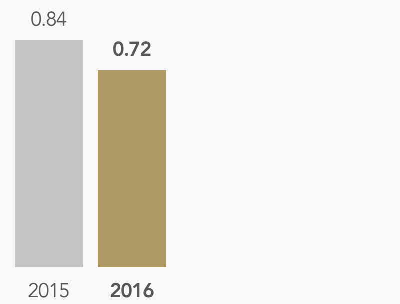
CO_2 EQUIVALENT
(tonnes)



ANNUAL PRODUCTION
(ounces)



CO_2 EQUIVALENT
(per ounce of gold)



(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.

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Power station in Marsa Alam, near Sukari

Our monitoring activities in 2016 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.

The waste management system in place at Sukari, Egypt includes procedures for the handling, storage and disposal of waste. The system is focused on:

- waste minimisation through different measures to reduce generation of waste;
- maximising onsite recycling and reuse of different types of wastes;
- recovery of valuable material from the waste;
- reuse of treated wastewater streams; and
- disposal of discarded material in an environmentally acceptable manner.

We maintain a salvage area where valuable waste is temporarily stored until transferred offsite or recycled in different areas onsite. A key focus for the committee has been improving the rate at which waste material is transferred offsite or recycled and this is an ongoing task.

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.

There were no incidents reported of negative impact on wildlife as a result of operations at Sukari during 2016.

Land management and rehabilitation

We are committed to transferring Sukari into a stable and self-sustaining condition after closure. Due consideration will be given to environmental and social impacts to avoid long term challenges for neighbouring parties.

The planning for the closure of the mine aims to ensure that 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.

Our restoration and rehabilitation plan is updated each year to account for all components and activities within the mine. 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 obligations at the reporting date.

In addition to the long term rehabilitation plan, we undertake short term rehabilitation activities, especially for construction sites and for cleaning up minor spills.

CORPORATE SOCIAL RESPONSIBILITY 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 in a socially responsible manner at all times.

Stakeholder engagement

We nurture dialogue and build relations with the local community in areas in which we operate. We maintain open channels of communication with all our stakeholders. 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 and for them to raise grievances or concerns. In providing these opportunities we have been pleased to find that, throughout 2016, as in previous years, the Sukari Gold Mine continues to enjoy full support from the local community and government authorities.

Community development initiatives

In 2016, we have continued our support and contribution to community development in Marsa Alam and Red Sea area at large. Initiatives were designed and implemented to address community needs and were implemented where possible through full collaboration and co-ordination with local authorities, community groups and associations.

Infrastructure initiatives:

- provision of additional generators and related transformers to add 3.2MW to the Marsa Alam power station;
- continuing to supply electricity to a neighbouring Bedouin settlement of circa 200 people; and
- establishment of a children's playground in Marsa Alam.

CASE STUDY: STRENGTHENING POWER GENERATION IN MARSA ALAM

Marsa Alam is not connected to the national grid for electricity but is supplied by power through a diesel power plant of capacity 5MW that is about 30 years old. The power plant is not adequate to the city needs or its future plans and development. Sukari supplied the power plant with additional generators to provide needed electricity.

- Two generators with a combined capacity of 3.2MW were provided to the Marsa Alam power plant.
- A further generator house was supplied and constructed.
- Training has been provided to the power station staff to operate and maintain the generators.

Social involvement activities:

- organising a marathon along Marsa Alam and Edfu roads;
- 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.

Enhancing education:

- training of 85 geology and engineering students at Sukari in the summer vacation; and
- organising field visits to Sukari for circa 1,040 students and officials.

Social welfare contributions:

- provision of food waste to neighbouring Bedouins for grazing purposes;
- financing surgery for Bedouins in the Marsa Alam hospital;
- financing daily iftars during Ramadan for unprivileged individuals in Marsa Alam; and
- distributing food at key community events.

Advanced exploration

Burkina Faso

The project lies in Batie, Noumbiel Province, in the south-west region of Burkina Faso. Batie is a town with a population of about 30,000 and has 56 villages affiliated to it.

Education is one of the most important focus areas for the region where there is a need to create a more productive, higher skilled next generation of Burkinabes and help to build capacity beyond the lifespan of our activities in the region. The School Bike Project, for example, rewards academic performance and helps to empower communities and improve access to education for students who walk up to 10km each day to attend school.

Multiple water wells have been built in communities across the licence area to combat problems associated with poor water quality. This has an immediate impact on every part of village life and each well can serve up to 1,000 people's basic daily needs. Part of our investment in this initiative goes into training village residents to maintain and repair the pumps and routinely check installations.

Integration of Company policies

The Company's health, safety and environmental policies and standards have been integrated into the Batie operations where relevant.

These include:

- provision of health services at camp;
- training and induction requirements;
- incident investigation and reporting requirements;
- internal communication mechanisms;
- vehicle safety requirements;
- contractor management; and
- code of conduct – anti-bribery policy and gift register.

Safety performance

The safety performance of Batie project is monitored and evaluated and is, in general, satisfactory.

	2016 frequency rate[1]	2015 frequency rate[1]
FIFR	**0**	0.2
LTIFR	**0**	0.62
MTIFR	**0.37**	0.21

(1) Based on 200,000 working hours.

Health services

The Batie camp site has a well equipped clinic operated by ISOS and the clinic has a full-time paramedic. The camp is also equipped with an ambulance to transfer cases to the nearest medical centre in Batie or to hospital in Gauoa.

The clinic is accessible to employees at all times and provides quality health services with a particular focus on malaria. Through applying protective measures and through employee awareness programmes, the malaria frequency rate was 89 per 1,000 people in 2016 compared to the 180 per 1,000 country frequency rate in Burkina Faso as a whole.

CASE STUDY: SUPPLY OF STUDENTS' BIKES

The local transportation in Batie and around the village is limited. Students in particular depend on cycling or walking to school. Centamin decided to provide bicycles to students to facilitate their daily commute and encourage and motivate them to study. The project was designed in co-operation with the education director of the Noumbiel province. 50 bicycles were given to the students with excellent achievements in their school year. Each student received a bicycle and a school bag together with school accessories. A ceremony was held for the occasion and executive officials from Batie and Noumbiel attended. The project received high recognition in the media as an initiative to support education and excellence. This project was very well received by the community and Centamin received requests to repeat it in the following years.

Our employees

In Burkina Faso, 95 people (90 nationals and five expatriate staff) were employed in 2016 and 95% of those employed are Burkinabe. The remaining 5% are experienced expatriate mining exploration professionals.

The current staff is composed of geologists (18 employees in total with the expatriate staff), field technicians, field technician assistants and the surveyor (30 employees) and administration staff, as well as other support staff (47 employees). 9% of our Burkina workforce are women who work in Ouagadougou as well as at the camp in Batie.

Environment

An environmental impact assessment study ("EIA") has been carried out in accordance with Burkina Faso legislation. Of particular note in connection with the EIA were the specific issues relating to the social 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 of developing the EIA included a stakeholder consultation for the project and the associated relocation requirements. The proposed Batie project extends to villages and occupied areas and thus some farms, houses and public areas will need to be relocated. A relocation plan has been prepared taking account of the views expressed in the consultation including those of farmers, land owners and local chiefs. 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.

An important component of exploration activities is the rehabilitation of sites. There are procedures to ensure the safe, stable and environmentally sound closure of pits and wells immediately after completion of works. Drilling contractors are required to implement such procedures at all their drilling sites.

CORPORATE SOCIAL RESPONSIBILITY continued

Community and society

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 its local subsidiaries, will continue to engage with the local community in relation to its projects in Batie.

Stakeholder engagement is undertaken through individual and group meetings to discuss concerns. These include:

- access to exploration lands;
- identification of sacred sites that must not be disturbed;
- compensation for removing trees or disturbing land; and
- conflict management.

Community development initiatives

Community development in 2016 tackled several objectives including enhancing:

- education;
- health services;
- social involvement;
- livelihood; and
- preparation of a community development plan with and for the communities covering the project areas, which will guide the Company community investment activities from 2018 onwards.

Enhancing education:

- initiating work to establish a primary school in Danhal.

Enhancing health services:

- supporting Batie medical centre through providing antivenins, running water, power access, analysis equipment, and financing hygiene services; and
- supporting Gauoa medical center through providing haematology equipment and beds and furniture.

Social involvement:

- sponsorship of a community development plan for the Batie mine project areas, which will be developed by wide consultation with all stakeholders;
- sponsorship of, and participation in, community events and celebrations; and
- support for vulnerable students in education.

Enhancing livelihood:

- establishing two water bores in Batie and Danhal tenements; and
- supplying 50 bicycles for students with excellent achievements.

Medical facilities in Burkina Faso

The medical facilities at our site in Batie are managed by an emergency medical assistance contract with ISOS which provide medical services assistance, including first aid to the staff working onsite. The site facilities are routinely visited by the Gaoua's Labour Office and the Occupational Safety and Health Committee.

Côte d'Ivoire

Centamin now has seven permits in Côte d'Ivoire across the border from Batie West in Burkina Faso, covering approximately 2,334km². Eight permits remain under application, some of which are expected to be granted during 2017.

The project area is located in the north-eastern region of the country characterised by extreme poverty and lack of basic infrastructure.

Integration of Company policies

The Company's health, safety and environmental policies and standards have been integrated into the Côte d'Ivoire operations where relevant. These include:

- provision of health services at camp;
- training and induction requirements;
- incident investigation and reporting requirements;
- defensive driving training;
- code of conduct, anti-bribery policy and gift register;
- internal communication mechanisms;
- vehicle safety requirements; and
- contractor management.

Community and society

Centamin values underpin the Company sustainability programme. We are committed to contribute to the improvement of living conditions of communities around our operations by building partnership with all stakeholders. We are committed to working with the highest level of respect for the communities and the environments in which we operate. We will always endeavour to build open, transparent and honest relationship with stakeholders.

Our long term goal is to move our communities away from the idea of gifts and donations, and direct their attitudes, perceptions and behaviours towards interdependency, ownership and accountability. Therefore, the centrepiece of our actions will be creating shared vision and building capacity.

Community development initiatives

The improvement of basic social infrastructures (health, education) and the provision of basic services are planned to be conducted by the Company alone or in partnership with other organisations pursuing similar goals in areas around its operations.

To maximise our impact, we will build partnership with stakeholders such as donors (developed world development agencies), governments and NGOs so the expertise and resources of each partner are used complementarily with the objective to get more sustainable and wider impact, which guarantees the achievement of partners' goals faster and at lower cost.

CASE STUDY: PUBLIC-PRIVATE PARTNERSHIPS

Through partnership with the German Society for International Cooperation ("GIZ"), we are putting together a Public-Private Partnership ("PPP") called the Rural Development and Populations' Income Improvement in Bouna, Doropo, Tehini, Nassian and Kong. This PPP is designed to deliver the following:

- training of more than 4,000 market gardeners and producers of acajou and karité nuts;
- provision of improved seeds and equipment to farmers;
- processing equipment for karité nuts;
- construction of water boreholes for crop irrigation;
- provision of improved rural stoves;
- micro-finance programme for mainly women farmers and traders; and
- public awareness programme for biodiversity protection in the Tai and Comoe Park areas.

Enhancing education:

- provision of school benches;
- construction of latrines for the high school of Doropo village;
- construction of classrooms;
- internship for one accountant student at the Abidjan Office department; and
- internship for four geology students in the exploration department.

Environment:

- building of garbage dump site for the village of Danoa; and
- biodiversity protection programme for Tai and Comoe National Park areas.

Enhancing health services:

- provision of medical assistance to health centres around our operations by the doctor of Medicis, the Company contractor.

Social involvement:

The Company is committed to be a good corporate citizen of Doropo and the villages around our operations. We will support initiatives intended to improve the livelihood of the communities. Focus areas include:

- acting as a key player on the community development committee of Doropo and Bouna;
- sponsorship of a community development plan for the Company's operation areas, which will be developed by wide consultation with all stakeholders; and
- sponsorship of, and participation in, community events and celebrations.

Enhancing livelihood:

- repairing of rural tracks damaged by the rains;
- provision of water borehole with solar pump at Danoa;
- support programme to production, processing and marketing of agricultural products;
- diversification of income and food security improvement; and
- promotion of sustainable production methods which preserve biodiversity.

Our employees

The Company's activities provide direct and indirect employment, training and work experience for many Ivorian employees. Our workforce has witnessed considerable growth since we increased exploration work in end 2014, both in terms of the number of employees and the range of skills and expertise of our workforce.

In the Ivory Coast, we employ 44 people of whom 96% are Ivorians. The remaining 4% are experienced expatriate mining professionals. 24% of our Ivorian workforce are women and they work primarily in the office at Abidjan as well as the camps in Doropo and Danoa.

Medical facilities in Côte d'Ivoire

Our medical requirements are managed by an emergency medical assistance contract with Medicis.

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CORPORATE SOCIAL RESPONSIBILITY continued

Payments to governments

The Reports on Payments to Governments Regulations (the "Regulations") came into force on 1 December 2014. Whilst the Regulations are part of UK law, they apply to the Company by virtue of its listing on the London Stock Exchange (pursuant to Disclosure and Transparency Rule 4.3A). The Regulations require companies active in the extractive industries to report any payments they have made to their host governments in the form of taxes, bonuses, royalties, fees and support for infrastructure payments. The Regulations implement Chapter 10 of the EU Accounting Directive. The Regulations are part of an EU-wide effort to curb corruption and promote transparency in the energy and extractives sector. Their stated objectives are to provide citizens of resource-rich countries with the information they need to hold their governments to account; and to provide greater insight (for investors and all other stakeholders) into how the sector operates and the range of economic contributions that can result.

The Regulations require disclosure of the following:

a) production entitlements;
b) taxes levied on the income, production or profits of companies, excluding taxes levied on consumption such as value added taxes, personal income taxes or sales taxes;
c) royalties;
d) dividends, other than dividends paid to a government as an ordinary shareholder unless they are paid in lieu of a production entitlement or royalty;
e) signature, discovery and production bonuses;
f) licence fees, rental fees, entry fees and other considerations for licences and/or concessions; and
g) payments for infrastructure improvements.

Where a payment or series of related payments do not exceed GBP86,000 they do not need to be disclosed but, in the interests of transparency, the Company has included these costs.

The Company is also subject to equivalent Canadian legislation – the Extractive Sector Transparency Measures Act ("ESTMA") which came into force on 1 June 2015. Canada's requirements are aligned with those in the EU Directive and this report is deemed equivalent for Canadian purposes.

Payments in this report have been disclosed in US dollars, which is the Company's reporting currency. Where actual payments have been made in a local currency they have been converted using the prevailing exchange rate at the time of the payment.

Summary table showing payments to governments made during the year ended 31 December 2016 in US$

Type	Notes	Egypt	Burkina Faso	Australia	Côte d'Ivoire	Total
Profit share	(i)	18,503,333	—	—	—	18,503,333
Corporate taxes	(ii)	621,956	—	7,599,793	—	8,221,749
Royalties		17,314,743	—	—	—	17,314,743
Exploration licence fees		—	22,468	—	70,353	92,821
Mining and other licence fees		231,536	776,153	—	—	1,007,689
Infrastructure improvements	(iii)	1,095,868	—	—	—	1,095,868
	(iv)	**36,767,436**	**798,621**	**7,599,793**	**70,353**	**46,236,203**

(i) With a view to demonstrating goodwill towards the Egyptian government, Centamin (through its subsidiary PGM), made advance payments to the Egyptian Mineral Resources Authority (EMRA) totalling US$28,750,000 between 2013 and 2016. These payments have since been netted off against profit share with EMRA. The balance represents the cash amount paid to EMRA during the period.
(ii) In accordance with the Regulations, this figure excludes taxes levied on consumption such as VAT, personal income or sales taxes. The Australian tax payment relates to foreign exchange gains realised that were assessable for tax.
(iii) This is the value of generators donated to the Marsa Alam power station.
(iv) Other types of payments that are required to be disclosed in accordance with the Regulations include production entitlements; signature, discovery and production bonuses; and dividends. The Company and its subsidiaries did not make any such payments to governments during the year.

Payments split by payee during the year ended 31 December 2016 in US$

Country	Notes	Payee	Royalties	Profit share	Taxes	Licence or permit fees	Other	Total
Egypt: Sukari Gold Mine		Arab Republic of Egypt	—	18,503,333	—	—	—	18,503,333
		EMRA	17,314,743	—	—	—	—	17,314,743
		Egyptian Tax Authority	—	—	621,956	—	—	621,956
		Other payees	—	—	—	231,536	1,095,868	1,327,404
Burkina Faso: Konkera project	(v)	Ministry of Mines	—	—	—	776,153	—	776,153
		Burkina Faso Tax Office	—	—	—	—	—	—
Burkina Faso: Exploration projects		Ministry of Mines	—	—	—	22,468	—	22,468
		Burkina Faso Tax Office	—	—	—	—	—	—
Côte d'Ivoire: Exploration projects	(v)	Ministry of Mines	—	—	—	70,353	—	70,353
		Côte d'Ivoire Tax Office	—	—	—	—	—	—
Australia: Corporate		Australian Tax Office	—	—	7,599,793	—	—	7,599,793
			17,314,743	**18,503,333**	**8,221,749**	**1,100,510**	**1,095,868**	**46,236,203**

(v) In accordance with the definition of 'project' in the Regulations, the Company treats its exploration licence holding areas in Côte d'Ivoire and Burkina Faso as one project each for the purposes of the Regulations. This is because the licence areas are operationally and geographically linked.

Local market in Côte d'Ivoire

OPERATIONAL REVIEW

In this section we feature our operational performance and exploration review for 2016.

Health and safety – Sukari

The Lost Time Injury Frequency Rate ("LTIFR") for 2016 was 0.27 per 200,000 man hours (2015: 0.12 per 200,000 man hours), with a total of 5,187,635 man hours worked during 2016 (2015: 5,032,828). Continued development of the onsite health and safety culture has resulted in improved reporting of incidents.

Centamin remains committed to further improving health and safety during 2017 towards our zero-harm target.

Open pit

The open pit delivered total material movement of 62.2Mt, an increase of 8% on the prior year (2015: 57.8Mt). This increase was related to improved mining productivity and equipment utilisation. The strip ratio was 4.68, a reduction on 5.60 in 2015 as ore mining focused on the Stage 3A and 3B areas and the next stages of the northern and eastern walls of the open pit which progressed in line with the mine plan.

Ore production from the open pit was 10.95Mt at 0.93g/t, with an average head grade to the plant of 0.95g/t. The ROM ore stockpile balance decreased by 128kt to 577kt by the end of the year. Ore mining was primarily from the Stage 3A area, which provided access to higher-grade sulphide portions of the ore body during 2016.

In 2017 mining activities will be conducted in Stage 3 and Stage 4 along with pioneering activities in Stage 5. Ore will be supplied from Stage 3B whilst developing the elevated benches from Stage 4. Expected ore mined is 10.7Mt at an average grade of 1.06g/t. The strip ratio is planned to be 5.23 during 2017. During Q1 2017 the open pit is scheduled to develop a low-grade east wall cutback and planned gold production will be lower than Q4 2016.

Underground mine

The underground mine produced 1.02Mt of ore, a 12% decrease on 2015 (1.16Mt). Ore from stoping accounted for 55% (0.56Mt) of the total, with the balance of ore (0.45Mt) from development. The average mined head grade was 9.0g/t, above our forecast. The average grade from stoping was 9.1g/t (an increase of 32% on 2015) and the average grade from development was 9.0g/t (an increase of 49% on 2015).

During the first quarter, higher tonnage and lower-grade stockwork stopes on the western contact and in the central zone were completed. Thereafter, stoping was carried out predominately from the eastern side of the deposit, where higher-grade mineralisation typically occurs in laminated quartz veins, with sulphide stockworks trailing out westward into the porphyry mass.

This, together with local geotechnical variations, requires a narrower and more selective mining method, thus reducing the available tonnes per vertical metre. This has resulted in a higher average grade for the year, coupled with a slight reduction in productivity.

Underground development advanced 7,880 metres, including progression of the Amun, Horus and Ptah declines. This development comprised 4,557 metres in Amun and 3,323 metres in Ptah.

The exhaust circuit for the Ptah decline was progressed, ensuring sufficient ventilation as the decline extends deeper into the ore body.

A total of 9,691 metres of grade control drilling were completed, aimed at short term mine planning and resource development. A further 25,670 metres of underground diamond drilling continued to test for reserve extensions below the current Amun and Ptah zones. A new exploration decline also commenced within the north-eastern Cleopatra zone of Sukari Hill. Further details and underground drilling results are discussed in the exploration section of this report.

Processing

The Sukari plant processed 11.56Mt of ore in 2016, a 9% increase on 2015 and 5% above our base case of 11.0Mtpa, as forecast at the beginning of the year. Productivity continued to increase throughout the year, with 2.95Mt processed during the fourth quarter, reflecting the ongoing ramp up of the expanded circuit.

Metallurgical recovery averaged 89.4%, a 0.6% increase on 2015. Work is continuing to optimise the operational controls and improve circuit stability to ensure recoveries are maintained at approximately 90% at the increased rate of throughput.

The dump leach operation produced 9,872oz during the year.

The 2017 production guidance is based on a forecast production rate of 11.75Mt, with an annual average gold recovery of 89.75%. Grades are expected to show a rising trend throughout the year, starting the first quarter at 1.33g/t and rising to 1.78g/t in the final quarter of the year, averaging 1.57g/t. An expansion of the secondary crusher system is planned during 2017, with an expected capital cost of US$6 million. This is expected in due course to increase the grinding capacity of Plant 1, and thus lead to further overall plant throughput increases to above 12Mtpa.

Sukari Gold Mine production summary	Year ended 31 December 2016	Q4 2016	Year ended 31 December 2015	Q4 2015
Open pit mining				
Ore mined[1] ('000t)	**10,949**	2,183	8,746	2,229
Ore grade mined (g/t Au)	**0.93**	0.85	0.75	0.77
Ore grade milled (g/t Au)	**0.95**	0.85	0.78	0.75
Total material mined ('000t)	**62,238**	15,810	57,766	13,754
Strip ratio (waste/ore)	**4.68**	6.24	5.6	5.17
Underground mining				
Ore mined from development ('000t)	**454**	103	560	151
Ore mined from stoping ('000t)	**565**	125	598	149
Ore grade mined (g/t Au)	**9.04**	10.43	6.47	7.05
Ore processed ('000t)	**11,559**	2,948	10,575	2,758
Head grade (g/t)	**1.65**	1.62	1.40	1.47
Gold recovery (%)	**89.4**	89.9	88.8	88.5
Gold produced – dump leach (oz)	**9,872**	2,550	15,642	3,417
Gold produced – total[2] (oz)	**551,036**	136,787	439,072	117,644
Cash cost of production[3,4] (US$/oz)	**513**	536	713	667
Open pit mining	**179**	198	243	232
Underground mining	**43**	46	46	42
Processing	**253**	254	367	338
General and administrative	**38**	38	56	54
Gold sold (oz)	**546,630**	130,959	437,571	117,351
All-in sustaining cost (US$/oz)[4]	**694**	720	885	842
Average realised sales price (US$/oz)	**1,256**	1,207	1,159	1,103

(1) Ore mined includes 117kt @ 0.21g/t delivered to the dump leach in Q4 2016 (54kt @ 0.54g/t in Q4 2015).
(2) Gold produced is gold poured and does not include gold-in-circuit at period end.
(3) Cash cost of production exclude royalties, exploration and corporate administration expenditure. Cash costs of production reflect a provision against prepayments to reflect the removal of fuel subsidies which occurred in January 2012 (refer to note 12 of the financial statements for further details).
(4) Cash cost of production and all-in sustaining costs are non-GAAP financial performance measures with no standard meaning under GAAP. Please see the financial review for details of non-GAAP measures.

OPERATIONAL REVIEW continued

Exploration

Sukari

Drilling from underground remains a focus of the Sukari exploration programme as new development provides improved access to test for high-grade extensions of the deposit. The ore body remains open to the north, south and at depth and further underground drilling of the Sukari deposit will take place during 2017, from across the existing and planned areas of development.

Selected underground drilling results received during the year (including from the fourth quarter), include the following:

Amun

Hole number	Interval (m)	Au (g/t)
UGRSD0064	1.1	30.6
UGRSD0082	2.6	108.2
UGRSD0201	9.5	78.4
UGRSD0229	18.4	12.6
UGRSD0237	4.0	56.5

Ptah

Hole number	Interval (m)	Au (g/t)
UGRSD0155	6.3	13.6
UGRSD0585	2.3	110.7
UGRSD0589_W1	3.0	40.0
UGRSD0708_W1	2.0	160.8
	0.4	22.8
	1.8	73.4
UGRSD0714_W1	3.0	147.6
UGRSD0596	2.8	65.1
UGRSD0710	2.2	88.3
UGRSD0713	3.0	87.8
UGRSD0716	0.7	2745.0
UGRSD0614	2.3	43.0
UGRSD0615	3.0	47.5
UGRSD0609	1.4	313.5
UGRSD0618	1.0	61.5
UGRSD0720	1.0	28.1

Cleopatra

Hole number	Interval (m)	Au (g/t)
CRSD001	6.7	3.1
INCLUDING	0.7	6.2
CRSD002	4.5	5.9
	0.5	20.1

Cleopatra exploration decline

The existing underground operations at Sukari have demonstrated that the western contact zone between the main porphyry and the surrounding metasedimentary rock units is highly prospective for high-grade gold mineralisation. This contact has limited drilling in the north-western portion of Sukari Hill, where the porphyry is approximately 300 metres wide and access for surface drill rigs is limited.

High grades have been observed along the north-eastern flank of Sukari Hill, where an interpreted en-echelon set of three mineralised zones are located, namely Cleopatra, Julius and Antoine zones. Cleopatra outcrops as two distinct quartz veins on the north-eastern flank of Sukari Hill, whereas Julius and Antoine do not outcrop. The zones are interpreted as commencing on the eastern porphyry contact, dipping broadly to the west.

This project is designed to commence development along strike within the upper Cleopatra zone and set up four drill sites in the centre of the porphyry. The drives will provide a large quantity of geological data in addition to that gained from the drilling.

The initial project will be developed in two phases. Phase 1 has a projected cost of US$5 million, with 1,370 metres of development and 96,422 tonnes of mined material to be completed over a five-month period. Phase 1 commenced during the third quarter, with the portal established and 893 metres of development completed to year end 2016. This development produced 21,078 tonnes of low-grade mineralised material. The first drill cuddy has been established and exploration drilling commenced during December 2016. The initial target is a westerly-dipping dilation of stock work porphyry which is located on the eastern contact.

Phase 2 has a projected cost of US$6.5 million, with 1,057 metres of development and 54,409 tonnes of mined material to be completed over a five-month period. Grade control diamond drilling has commenced for three proposed strike drives.

The initial project is aimed at developing infrastructure with the capacity to support mining rates of up to 1Mtpa from this area. Ultimate production rates will depend on future results from the development, exploration drilling and further development. It will be in addition to the current underground ore production from the Amun and Ptah declines.


Cleopatra exploration decline at Sukari

Côte d'Ivoire

Centamin has seven permits covering circa 2,334km^2. Six of these are part of the Doropo Project across the border from Batie West in Burkina Faso and the other is in the west of the country. Eight permits are currently under application and, once these are awarded, exploration will focus on regional surface geochemistry and mapping aimed at identifying anomalies for first-pass drilling.

Drilling within the Doropo Project area gained momentum during 2016, with the fleet increasing from one to three rigs by the last quarter. The initial areas of focus is a 5km radius area, containing five prospects: Souwa, Nokpa, Kekeda, Han and Chegue. Systematic drill-testing of these prospects, together with infill drilling towards the end of the year, has led to a new discovery and a maiden resource of 0.3Moz at 1.6g/t indicated and 1.0Moz at 1.3g/t inferred. This resource is summarised in the table below.

Mineral resource for Côte d'Ivoire

	0.5g/t cut off					
	Indicated			Inferred		
	Mt	Au (g/t)	Au (koz)	Mt	Au (g/t)	Au (koz)
Souwa	3.41	1.71	187	12	1.4	540
Nokpa	2.34	1.49	112	3.5	1.3	146
Chegue	—	—	—	1.2	0.9	35
Kekeda	—	—	—	4	1.1	141
Han	—	—	—	4.8	1.1	170
Total	**5.75**	**1.62**	**300**	**26**	**1.26**	**1,032**

	0.8g/t cut off					
	Indicated			Inferred		
	Mt	Au (g/t)	Au (koz)	Mt	Au (g/t)	Au (koz)
Souwa	2.37	2.19	167	6.7	1.9	409
Nokpa	1.5	1.97	95	2.3	1.7	126
Chegue	—	—	—	0.5	1.2	19
Kekeda	—	—	—	2	1.6	103
Han	—	—	—	2.6	1.6	134
Total	**3.87**	**2.1**	**262**	**14**	**1.74**	**791**

OPERATIONAL REVIEW continued

Côte d'Ivoire continued

Exploration during 2016, including soil geochemistry, auger drilling and ground IP surveys, also provided evidence of higher-grade mineralisation on several other prospects (Dilly, Hinda, Atirré and Enioda). The Enioda prospect is believed to be the strike extension of the Napelepera mineralised structure, within Centamin's Burkina Faso licences, as discussed below.

Work in 2017 will focus on expanding and upgrading the initial resource, in addition to first-pass drilling on newly defined prospects.

The Nokpa prospect hosts high-grade mineralisation from three cross cutting structures near a dyke swarm. It currently has a 150m diameter footprint, a shallow plunge along the fault plans and is open in all directions.

Nokpa significant mineralised RC and DD drill intersections

Hole ID	From (m)	Interval (m)	Au (g/t)
DPRC0191	41	10	3.3
DPRC0192	36	10	10.1
DPRC0192	68	14	4.3
DPRC0193	82	11	5.0
DPRC0194	122	16	3.3
DPRC1051	13	7	11.1
DPRC1052	22	5	5.4
DPRC1053	99	5	6.9
DPRC1057	112	5	8.5
DPRC1065	74	24	2.6
DPRC1066	124	20	2.0
DPRC1069	170	12	4.8
DPRC1138	118	22	1.6
DPRC1139	127	14	2.7
DPRD1070	159	13	2.3
DPRD1140	153.7	17.3	1.7
DPRD1143	149.9	12.1	2.3
DPRD1145	210.6	15.9	2.2

At the Souwa prospect, mineralisation has been tested over a 1,700m strike length and 200m vertical depth. Several large high-grade mineralised shoots are hosted by a shallow-dipping shear zone.

Souwa significant mineralised RC and DD drill intersections

Hole ID	From (m)	Interval (m)	Au (g/t)
DPRC0039	44	10	22.0
DPRC0041	73	17	2.3
DPRC0042	21	33	2.2
DPRC0061	11	20	3.0
DPRC0173	96	17	4.7
DPRC0185	42	6	4.0
DPRC0487	52	14	4.5
DPRC1047	219	8	9.0
DPRC1083	91	14	3.1
DPRC1086	35	17	3.5
DPRC1088	83	21	2.6
DPRC1089	105	21	6.8
DPRC1091	11	17	2.3
DPRC1099	113	7	6.2
DPRC1100	27	12	3.4
DPRC1108	47	26	8.4
DPRC1109	73	17	2.5
DPRC1110	109	12	2.5
DPRC1114	42	6	11.0
DPRC1116	140	10	6.0
DPRC1118	61	5	11.3
DPRC1120	78	14	6.2
DPRC1121	98	22	5.4
DPRC1124	101	10	5.1
DPRC1126	48	11	6.0
DPRC1162	14	19	10.5
DPRD0503	149	9	3.0
DPRD1037	223	6	11.3


Exploration in Côte d'Ivoire

The Kekeda and Han prospects are both well-defined shallow dipping shear zones showing a high sulphide content associated with strong sericite-silica alterations.

Han and Kekeda significant mineralised RC and DD drill intersections

Prospect	Hole ID	From (m)	Interval (m)	Au (g/t)
Han	DPRC0198	16	10	5.3
Han	DPRC0226	129	7	3.9
Han	DPRC0228	108	9	2.5
Han	DPRC0235	70	10	5.4
Han	DPRC0433	30	4	51.2
Han	DPRC0434	54	14	2.4
Han	DPRC0454	86	10	2.1
Han	DPRC0465	74	10	3.0
Han	DPRC0566	23	5	8.0
Han	DPRC0570	23	11	16.9
Kekeda	DPRC0018	36	7	5.7
Kekeda	DPRC0019	0	7	5.0
Kekeda	DPRC0525	10	10	3.9
Kekeda	DPRC0535	50	14	4.0
Kekeda	DPRC0540	64	9	2.7
Kekeda	DPRC0561	71	9	4.2

The other tested prospects also returned significant results during the year, which will be followed up by further drilling in 2017.

Other prospects with significant mineralised RC and DD drill intersections

Prospect	Hole ID	From (m)	Interval (m)	Au (g/t)
Atirré	DPRC0347	44	5	8.8
Chegue	DPRC0393	10	8	8.8
Chegue	DPRC0475	53	9	2.9
Chegue	DPRC0477	38	12	3.1
Chegue	DPRC0478	6	8	3.9
Dilly	DPRC0264	86	2	10.1
Dilly	DPRC0265	72	4	3.2
Enioda	DPRC1016	136	7	3.0
Enioda	DPRC0107	30	9	3.1
Enioda	DPRC0129	24	9	3.3
Enioda	DPRC0110	76	17	1.8
Hinda	DPRC0343	94	3	15.5
Solo	DPRC0206	53	8	5.8
Solo	DPRC0209	112	4	5.0

Summary details in relation to the HSES aspects of exploring in Côte d'Ivoire are set out in the CSR report.

OPERATIONAL REVIEW continued

Burkina Faso

In Burkina Faso, the strategy during 2016 was to continue to systematically explore and drill-test the numerous targets along the 160km length of greenstone belt contained within our extensive 2,200km^2 licence holding. Results from this programme will lead to further drilling and resource development during 2017. Exploration remains focused on developing new zones of near-surface and high-grade mineralisation, as defined by geochemical sampling, geophysical surveys and analysis of an in-house structural model.

Exploration during 2016 prioritised two main prospect areas, Wadaradoo and Napelapera. During 2016 there were 164,333m of RC, 6,633m of diamond, 69,370m of aircore and 27,810m of auger drilled. Drilling activities were scaled down during the second half of the year to allow for analysis of the assay results.

At Wadaradoo, drilling outlined both structurally-controlled mineralisation (Wadaradoo Main and Wadaradoo North) and broad disseminated zones of mineralisation (Wadaradoo East and Wadaradoo Far East).

At Wadaradoo Main, high-grade north plunging shoots were identified on both the main 020° trending structure and 320° trending splay structures. These structures have all been drilled on a 50m x 50m or greater spacing and remain open at depth. At Wadaradoo North, mineralisation is hosted by a tightly confined, high-grade structure with narrow, more discontinuous zones in the hanging wall. Drilling during the year closed off this structure along strike and at depth.

Exploration is continuing at several other target areas, where major cross-cutting structures coincide with demagnetised and altered zones. This includes the Gongombili anticline (the southern continuity of the Wadaradoo main structure).

Wadaradoo significant mineralised
RC and DD drill intersections, downhole

Hole ID	From (m)	Interval (m)	Au (g/t)
WDRC0564	216	6	11.0
WDRC0143	114	4	15.7
WDRC0670	81	9	3.0
WDRC0671	130	6	13.3
WDRC0763	58	15	2.3
WDRD0592	353	11	3.0
WDRD0598	98	2	19.2
WDRC0941	3	20	2.9
WDRC0970	156	5	15.1
WDRD0350	147	23	3.4
WDRC1300	238	8	3.9
WDRC0238	41	19	3.1
WDRC0971	143	9	4.4
WDRD0349	198	7	6.5
WDRD1408	292	12	3.4
WDRD0491	270	19	3.3
WDRD1230	201	2	42.1

At Napelapera, our exploration licence holdings were extended to the Côte d'Ivoire border. Gold mineralisation at this prospect area is typically hosted within a broad alteration halo around the main structure. Cross-cutting structures 'compartmentalise' the granodiorite host rock into broad dilation zones of higher-grade mineralisation along the main structural trend. This trend was drilled out to the south-west, where higher grades are observed, with drilling covering a strike length of over 4km. Mineralisation remains open at depth.


Exploration at Napelapera

Napelapera significant mineralised
RC and DD drill intersections, downhole

Hole ID	From (m)	Interval (m)	Au (g/t)
NPRD449	120	6	2.1
NPRD457	127	3	5.6
NPRD459	107	4	3.3
NPRC468	38	10	1.8
NPRD455W1	118	4	51.6
NPRD471	150	6	8.4
NPRD472	170	17	3.6
NPRD480	234	10	1.9
NPRC487	50	4	17.5
NPRD511	261	19	2.0
NPRD546	181	6	3.8

The Poni prospect on the Danhal permit consists of a narrow 600m length mineralised structure, which is open to the north and south and at depth. Initial drilling was conducted in early 2016. At Tiopolo, a small narrow mineralised structure has been identified over a strike length of 450m, with consistent mineralisation which is open along strike and at depth. Follow-up work is planned in these areas.

Significant mineralised RC and DD drill intersections, downhole, from Farmstead, Poni, Tokera and Tonior prospects

Prospect	Hole ID	From (m)	Interval (m)	Au (g/t)
PONI	PNRC049	24	2	5.5
PONI	PNRC048	2	3	2.1
PONI	PNRC053	16	3	1.6
PONI	PNRC053	29	4	4.3
PONI	PNRD047	49	2	1.5
PONI	PNRD047	57	5	4.5
PONI	PNRD012	80	8	3.0
PONI	PNRD046	56	15	1.0
TIOPOLO	TIAC3259	7	2	2.0
TIOPOLO	TIRC146	91	4	1.2
TIOPOLO	TIRC173	19	3	3.5
TIOPOLO	TIRC178	76	3	3.1


Exploration at Wadaradoo

Continuous updates and improvements in our health and safety management systems are being implemented into our operations in Burkina Faso. 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 managed by International Medical Company ISOS which includes a full-time paramedic. Summary details in relation to the HSES aspects of exploring in Burkina Faso are set out in the CSR report.

FINANCIAL REVIEW

"Centamin has continued to return strong earnings and cash flow generation.

Ross Jerrard
Chief financial officer

The consolidated 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.

Now in its seventh year of production, the Sukari Gold Mine remains highly cash generative and this is reflected in the group's financial results for the year ended 31 December 2016:

- 2016 revenues of US$687.4 million were up 35% year-on-year with an 8% increase in realised gold prices and a 25% increase in gold sales;
- cash costs decreased to US$513 per ounce produced from US$713 in 2015, driven predominantly by the decrease in fuel price and other cost savings, as well as higher production than originally forecast;
- AISC of US$694 per ounce sold was below our forecast of US$720-750 per ounce mainly due to the higher gold production base and the rescheduling of certain capital cost items;
- EBITDA increased by 145% to US$372.9 million, mainly due to higher gross operating margins as a result of the gold price and also a decreased production cost associated with net changes in production inventories;
- profit before tax increased by 357% to US$266.8 million, due to the factors above;
- earnings per share before profit share of 23.05 US cents were up 412% on 4.51 US cents per share in 2015; and
- operational cash flow of US$366.3 million was 97% higher than 2015, due to the higher gold production base, gold prices and much lower cost base achieved.

The board of directors approved an interim 2016 payment of 2.00 US cents per share (versus a 2015 interim payment of 0.97 US cents per share). With the strong performance of our flagship asset and solid cash flows carrying through into the second half, a final dividend for 2016 of 13.5 US cents per share has been proposed for approval at the AGM on 21 March 2017. This represents a full year pay-out of approximately US$178 million, which is equivalent to approximately 70% of our net free cash flow for 2016 and follows the update to our policy announced on 9 January 2017.

Centamin remains committed to its policy of being 100% exposed to the gold price through its unhedged position, and maintained a healthy cash, bullion on hand, gold sales receivables and available-for-sale financial assets balance of US$428 million as at 31 December 2016.

Revenue

Revenue from gold and silver sales has increased by 35% to US$687.4 million (US$508.4 million in 2015), with an 8% increase in the average realised gold price to US$1,256 per ounce (US$1,159 per ounce in 2015) assisted by a 25% increase in gold sold to 546,630 ounces (437,571 ounces in 2015).

Cost of sales

Cost of sales represents the cost of mining, processing, refinery, transport, site administration and depreciation and amortisation, and movement in production inventory. Cost of sales is inclusive of US$24.6 million in relation to disputed fuel charges (refer to note 12 to the financial statements for further information) and has decreased by 6% to US$389.3 million, as a result of:

(a) a 8% decrease in total mine production costs from US$314.8 million to US$288.3 million, despite a 5% increase in processed tonnes offset with a 7% decrease in mined tonnes as a result of improved operational efficiencies and lower overall cost;

(b) a 14% increase in depreciation and amortisation from US$93.9 million to US$107.0 million due to higher production physicals, reclassification of exploration and evaluation expenditure to mine development and an increase in the associated amortisation charges; and

(c) a 179% decrease in movement in production inventories costs from US$7.5 million to (US$5.9) million.

Other operating costs

Other operating costs reported comprise 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 16% to US$32.1 million, as a result of:

(a) a US$2.9 million increase in net foreign exchange movements from a US$2.1 million gain to a US$5.0 million gain;

(b) a US$1.0 million decrease in corporate costs;

(c) a US$5.4 million increase in royalty paid to the government of the ARE in line with the increase in gold sales revenue; and

(d) a US$2.5 million provision for stock obsolescence against stores inventory in Egypt.

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.

Profit before tax

As a result of the factors outlined above, the group recorded a profit before tax for the year ended 31 December 2016 of US$266.8 million (2015: US$58.4 million).

Tax

The group operates in several countries and, accordingly, it is subject to, the various tax regimes in the countries in which it operates.

Earnings per share

Earnings per share (after profit share) of 18.61 US cents compare with 4.51 US cents in 2015. The increase was driven by the factors outlined above.

Comprehensive income

Other comprehensive income movement was the result of the revaluation of available-for-sale financial assets.

FINANCIAL REVIEW continued

Financial position

At 31 December 2016, the group had cash and cash equivalents of US$399.9 million compared to US$199.6 million at 31 December 2015. The majority of funds have been invested in international rolling short term higher interest money market deposits.

Current assets have increased by US$200.8 million or 55% to US$563.5 million, as a result of:

(a) an increase in net cash inflows of US$200.3 million (net of foreign exchange movements);
(b) a US$4.2 million decrease in stores inventory to US$102.3 million;
(c) a US$2.3 million decrease in prepayments;
(d) a US$1.1 million increase in gold sale receivables; and
(e) a US$5.9 million increase in overall mining stockpiles, gold in circuit levels and finished goods inventory values to US$34.2 million.

Non-current assets have decreased by US$29.1 million or 2.8% to US$1,023 million, as a result of:

(a) US$56.9 million expenditure for property, plant and equipment (comprising of plant and mining equipment and rehabilitation asset);
(b) US$107.0 million charges for depreciation and amortisation;
(c) US$49.6 million increase in exploration and evaluation assets, as a result of the drilling programmes in Sukari Hill, the Sukari tenement area, Burkina Faso and Côte d'Ivoire; and
(d) a US$28.8 million decrease in prepayments due to the utilisation of the prior year cumulative advance payments made to EMRA.

Current liabilities are unchanged at US$54.5 million. Change in underlying balances include:

(a) US$4.9 million decrease in trade payables offset by a $5.8 million increase in accruals, primarily as a result of a $4 million EMRA accrual in trade payables and accruals;
(b) US$6.8 million decrease in tax liabilities that were settled during the year; and a
(c) US$5.9 million increase in current provisions primarily driven by stock obsolescence and withholding tax provisions held at year end.

Non-current liabilities have increased by US$0.6 million to US$7.7 million as a result of an increase in the rehabilitation provision.

The value of issued capital has increased by US$1.9 million due to the vesting of awards.

Share option reserves reported have increased by US$0.6 million to US$3.0 million as result of the forfeiture and vesting of awards and the resultant transfer to accumulated profits and issued capital respectively, offset by the recognition of the share-based payments expense for the year.

Accumulated profits increased by US$168.7 million as a result of a:

(a) US$266.0 million profit for the year attributable to the shareholders of the Company; offset by
(b) US$46.1 million in dividend payments to external shareholders; comprising a US$22.9 million final dividend payment for 2015 and a US$23.1 million interim dividend payment for 2016; and
(c) US$51.3 profit share charge for EMRA for the year.

Capital expenditure

The following table provides a breakdown of the total capital expenditure:

	31 December 2016 US$ million	31 December 2015 US$ million
Operational fleet expansion	—	4.5
Total expansion – Sukari	—	4.5
Underground mine development – Sukari(1)	39.9	31.4
Other sustaining capital expenditure	23.7	5.1
Total sustaining	63.6	36.5
Exploration capitalised(2)	49.5	34.4

(1) Includes underground exploration drilling.
(2) Includes expenditure in West Africa (US$39 million) and Sukari underground (US$10.5 million of which US$7.5 million is included in AISC).

Diesel fuel dispute

The group is currently involved in a dispute regarding the price at which Diesel Fuel Oil ("DFO") is supplied to the Sukari Gold Mine. The nature of this dispute is set out more fully in note 21. However, in brief, in January 2012 the group was told by its fuel supplier (acting on the instruction of the Egyptian General Petroleum Corporation ("EGPC")), that it would no longer be able to receive DFO at local (subsidised) prices. The group subsequently received a demand from its fuel supplier for repayment of subsidies received from 2009.

The group has issued court proceedings in relation to these demands. However, the group has, since January 2012, had to pay the full international price for DFO to ensure continuity of supply. The group remains of the view that an instant move to international prices is not a reasonable outcome and will look to recover funds advanced thus far should the court proceedings be concluded in its favour. Management recognises the practical difficulties associated with reclaiming funds from the government and for this reason has fully provided against the prepayment of US$231.2 million to 31 December 2016 of which US$24.6 million was provided for during 2016 as follows:

	31 December 2016 US$'000	31 December 2015 US$'000
Included in cost of sales:		
Mine production costs	(22,844)	(43,808)
Movement in inventory	(1,784)	(2,931)
	(24,628)	(46,739)

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 increased by US$181.4 million to US$366.3 million, primarily attributable to an increase in revenue, due to an increase in gold sold ounces combined with a higher average realised price.

Net cash flows used in investing activities comprise exploration expenditure and capital development expenditures including the acquisition of financial and mineral assets. Cash outflows have increased by US$35.1 million to US$105.8 million. The primary use of the funds was for investment in underground development at the Sukari site in Egypt and exploration expenditures incurred in West Africa.

Net cash flows generated by financing activities comprise the dividend payments made to external shareholders and profit share to EMRA in Egypt. During the year US$46.1 million was paid comprising the final dividend for 2015 of US$22.9 million and the interim dividend for 2016 of US$23.1 million. A profit share charge of US$51.3 million was recorded to EMRA during the year with US$18.5 million paid in cash during the period. Taxes paid related predominantly to settling a liability with the Australian Tax Office of US$7.6 million.

Exchange rates

Effects of positive exchange rate changes have increased by US$6.5 million as a result of movements of some of the functional currencies used within the operation in the year.

The group receives its income from gold sales in US dollars, however, it is offset by the fact that in November 2016, the Egyptian government floated the Egyptian pound in an attempt to stabilise its economy. This has led to a significant devaluation of the currency which has led to an increase in inflation. This is a potential risk for the group as it has led to increases in the prices of fuel, raw materials and other goods as well as pressure to increase staff wages.

EMRA

A significant milestone was achieved during the year, as the capital investment in the Sukari operation by Centamin's wholly owned subsidiary Pharaoh Gold Mines ("PGM") was recovered from cash flows to the extent that profit share commenced during the third quarter. Centamin had previously elected to make advance payments against future profit share from 2013 onwards, to demonstrate goodwill towards the Egyptian government. The total value of these payments, amounting to US$28.75 million, were recovered against entitlement to profit share by the Egyptian Mineral Resources Authority ("EMRA"). To the end of 2016, further distributions of profit share amounting to a total of US$18.5 million had subsequently been paid to EMRA with another US$4 million accrued at year end. Both EMRA and PGM will benefit from advance distributions of profit share on a proportionate basis in accordance with the terms of the Concession Agreement and considering ongoing cash flows, historic costs that are still to be recovered and any future capital expenditure.

Ross Jerrard
Chief financial officer

1 February 2017

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FINANCIAL REVIEW continued

Non-GAAP financial measures

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

(1) EBITDA

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

- finance costs;
- finance income; and
- depreciation and amortisation.

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

Reconciliation of profit before tax to EBITDA

	Year ended 31 December 2016[1] US$'000	Year ended 31 December 2015[1] US$'000
Profit before tax	**266,829**	58,407
Finance income	**(917)**	(269)
Depreciation and amortisation	**106,973**	94,051
EBITDA	**372,885**	152,189

(1) Profit before tax, depreciation and amortisation and EBITDA includes a provision to reflect the removal of fuel subsidies (refer to note 12 to the financial statements for further details).

(2) Cash cost per ounce calculation

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

Reconciliation of cash cost per ounce

		Year ended 31 December 2016[1]	Year ended 31 December 2015[1]
Mine production costs (note 6)	US$'000	**288,317**	314,827
Less: refinery and transport	US$'000	**(1,564)**	(1,840)
Movement of inventory	US$'000	**(3,876)**	—
Cash costs	US$'000	**282,877**	312,987
Gold produced – total	oz	**551,036**	439,072
Cash cost per ounce	US$/oz	**513**	713

(1) Mine production costs, cash costs and cash cost per ounce includes a provision against prepayments recorded commencing in Q4 2012 and going forward to reflect the removal of fuel subsidies (refer to note 12 to the financial statements for further details).

In June 2013 the World Gold Council, an industry body, published a Guidance Note on the AISC metric, which gold mining companies can use to supplement their overall non-GAAP disclosure. AISC is an extension of the existing 'cash cost' metric and incorporates all costs related to sustaining production and in particular recognising the sustaining capital expenditure associated with developing and maintaining gold mines. In addition, this metric includes the costs associated with developing and maintaining gold mines, corporate office structures that support these operations, the community and rehabilitation costs attendant with responsible mining and any exploration and evaluation costs associated with sustaining current operations. AISC per ounce is arrived at by dividing the dollar value of the sum of these cost metrics, by the ounces of gold produced.

Reconciliation of AISC per ounce

		Year ended 31 December 2016[1]	Year ended 31 December 2015[1]
Mine production costs (note 6)	US$'000	**288,317**	314,827
Royalties	US$'000	**20,575**	15,198
Corporate and administration costs	US$'000	**13,521**	14,533
Rehabilitation costs	US$'000	**581**	369
Underground development	US$'000	**39,864**	31,409
Other sustaining capital expenditure	US$'000	**23,762**	5,145
By-product credit	US$'000	**(1,080)**	(1,433)
Change of inventories	US$'000	**(5,910)**	7,476
All-in sustaining costs[2]	US$'000	**379,630**	387,524
Gold sold – total	oz	**546,630**	437,571
AISC per ounce	US$/oz	**694**	885

(1) Mine production costs, cash costs, AISC, AISC per ounce and cash cost per ounce, includes a provision against prepayments recorded since Q4 2012 to reflect the removal of fuel subsidies (refer to note 12 to the financial statements for further details).
(2) Includes refinery and transport.

(3) Cash and cash equivalents, bullion on hand, gold sales receivables and available-for-sale financial assets

This is a non-GAAP financial measure any other companies may calculate these measures differently.

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

	Year ended 31 December 2016 US$'000	Year ended 31 December 2015 US$'000
Cash and cash equivalents (note 26)	**399,873**	199,616
Bullion on hand (valued at the year end spot price)	**4,998**	10,492
Gold sales receivable (note 10)	**23,009**	20,472
Available-for-sale financial assets (note 15)	**130**	163
Cash and cash equivalents, bullion on hand, gold sales receivables and available-for-sale financial assets	**428,010**	230,743

INTRODUCTION

"In 2016 we invested in our systems and reporting processes to further improve the quality of information, giving the board the best opportunity to make informed and timely decisions.

Josef El-Raghy
Chairman

Dear shareholders

Centamin remained focused on its drive for productivity and efficiency at the Sukari Gold Mine, whilst undertaking a growth strategy aimed at enhancing shareholder returns over the long term.

Efficient use of the board's time and resources has been a focus this year, and by working on improvements to our systems and reports, the board is in the best possible position to make informed and timely decisions.

The communication between the executive and non-executive directors is particularly important and by allowing open discussion on key issues, Centamin ensures that shareholders are properly informed about all major events and results.

Through the financial reporting and budgeting process together with the review of operational activity, the board has considered the short and longer term strategic focus areas (set out on page 20), as well as the principal risks, risk appetite and resulting business objectives.

Having consulted with the non-executive directors and engaged with an external facilitator who evaluated the board during the year, I continue to believe that the format and composition of the board remains suitable for the current needs of the business. This view is supported by the external facilitator.

In respect to succession planning, we as a board aim to nurture talent through the business. Through the nomination committee, we have identified key personnel within the organisation for whom we have allocated resources and training to ensure they achieve their potential.

Our CEO, who was the former COO, is evidence of our commitment to encourage talent through the organisation. Now that Andrew has completed a second year as CEO, I am pleased to see his continued efforts to develop and bring about efficiencies within the organisation, delivering on our key strategic focus areas.

Our board composition and approach to leadership are set out in detail on page 67. Within the directors' report and, where applicable, the strategic report, the directors provide the required governance and regulatory assurances.

These are set out in the following areas:

- C1.1. Fair, balanced and understandable (directors' responsibilities statement and assumptions in the audit and risk report);
- C.1.3. Going concern (directors' responsibilities statement and assumptions in the audit and risk report);
- C.1.2. Business model and delivery of strategy (strategic report including the business model);
- C.2.1. Robust assessment of principal risks (directors' responsibilities and assumptions in risk management report);
- C.2.2. Viability statement (risk management report); and
- C.2.3. Monitoring and review of effectiveness of risk management and internal control systems (audit and risk report).

2016 has been an exceptional year, with further improvements in operational efficiency and a strong financial performance on the backdrop of a stronger gold price and operational cost savings. We approach 2017 with a knowledgeable board, a strong management team and a clear strategy to deliver substantial shareholder value.

Josef El-Raghy
Chairman

1 February 2017

Governance and code compliance at a glance

LEADERSHIP	EFFECTIVENESS	ACCOUNTABILITY	REMUNERATION	SHAREHOLDERS
Separate roles undertaken by the chairman and CEO	Majority of independent non-executive directors appointed	External auditor changed in 2014	Simple but effective remuneration structure	Engagement with key shareholders and proxy advisory bodies
Senior independent non-executive director and deputy chairman – Edward Haslam	External facilitator carried out a board evaluation in 2016	Internal auditor appointed in 2015	Shareholder approved restricted share plan (approved in 2015)	AGMs held with key directors in attendance
100% attendance at board and committee meetings in 2016	Training provided to directors throughout the year	Defined strategic objectives and long term business viability	Claw back provisions in employment contracts and share schemes	Full disclosure of AGM results on day of meeting
Non-executive director meetings held during the year without executives present	All directors stand for re-election at each AGM	Defined risk strategy and principal risks explained	Separate shareholder resolutions for approval of remuneration policy and report	Investor meetings, capital markets day presentation

Compliance statement

The Company is incorporated in Jersey, Channel Islands. The Company is, by virtue of the Listing Rules, subject to the 2014 Corporate Governance Code (the "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 58201 – Corporate Governance Guidelines (NP 58-201).

Throughout the year ended 31 December 2016, the Company was in full compliance with the provisions set out in the Code with the exception of the following matters:

- 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. Additional measures remain in place whereby Edward Haslam (deputy chairman and senior independent non-executive director) takes an active role to ensure the board's ongoing effectiveness in all respects; and
- the Code requires three independent non-executives to be appointed to the remuneration committee, however, following the resignation of Kevin Tomlinson, the nomination committee and board approved the appointment of Trevor Schultz who, as a former executive director between 2008 and 2014, is not considered independent. The nomination report on page 78 and 79 sets out the review process in nominating Trevor Schultz for the committee appointment.

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 250 listed companies. It has also incorporated many additional and voluntary disclosures in its strategic report.

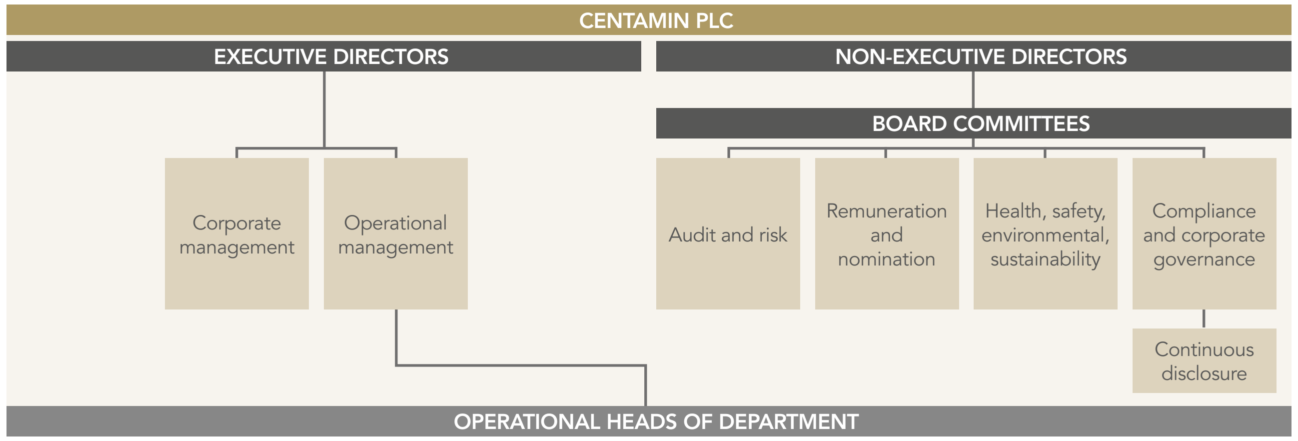
The Company has applied the main principles set out in the Code, enabling shareholders to evaluate how the principles have been applied.

Strategic report
Directors' report
Financial statements
Shareholder information

INTRODUCTION continued

Board overview

Set out below is the board, committee and management structure of Centamin plc.



How the board of directors operates

The board provides leadership to the group and sets the group's values and standards to ensure that its obligations to its shareholders are met and the group complies with both regulatory and governance requirements. The board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable. In carrying out its responsibilities, the board undertakes to serve the interests of shareholders, employees, and the broader community honestly, fairly, diligently and in accordance with applicable laws.

Board composition and attendance

At the date of this report the board is made up of a chairman, CEO, three independent non-executive directors and one non-executive director. See directors' details on pages 72 and 73.

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.

	Board	Audit and risk	Health, safety, environmental and sustainability	Compliance and corporate governance	Remuneration	Nomination
Executive						
Josef El-Raghy	(C.) 4 of 4					
Andrew Pardey	4 of 4					
Non-executive						
Edward Haslam	4 of 4	8 of 8	1 of 1	4 of 4	(C.) 4 of 4	(C.) 3 of 3
Trevor Schultz	4 of 4		(C.) 4 of 4		1 of 1	1 of 1
Mark Arnesen	4 of 4	(C.) 8 of 8		4 of 4	4 of 4	3 of 3
Mark Bankes	4 of 4	8 of 8	4 of 4	(C.) 4 of 4		
Kevin Tomlinson(1)	2 of 2		2 of 2		2 of 2	2 of 2

(C.) Chairing the meeting and/or chairperson of the board or committee.
(1) Resigned 16 May 2016.

The table excludes meetings held by written resolutions or sub-committees and reflects membership during 2016. The board held four meetings during the year and a further four meetings were held by way of unanimous board written resolution.

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.

Leadership

This report sets out the key areas the board has focused on during the year, together with details of the roles of the key board members and an assessment of the effectiveness of the board.

The board sets and implements the strategic aims and values of the Company, providing strategic direction to management. See further details in the strategic report.

The chairman, Josef El-Raghy, is responsible for ensuring the business is run in accordance with the board's strategy. The CEO, Andrew Pardey, has the responsibility for implementing strategy and overseeing the day-to-day running of the business.

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.

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

The chairman:

- leads the board to ensure it operates effectively;
- sets the agenda and ensures all matters are given due consideration and that directors have the opportunity to contribute to board discussions;
- communicates with shareholders in relation to the Company's strategic aims and policies; and
- represents the group before key stakeholders including government officials (including EMRA).

The chief executive officer:

- develops and implements short, medium and long term corporate strategies;
- is responsible for day-to-day management of the business and the implementation of the board's strategic aims; and
- promotes the highest standards of safety, corporate compliance and adherence to codes of conduct.

The non-executive directors:

- challenge and help develop the group's strategy;
- participate as members of the board on their respective committees;
- monitor the performance of management;
- need to 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 or with management.

Details of the senior management team are set out on pages 74 and 75.

Detailed knowledge of the group's activities is essential and, each year, the board visits 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 and Côte d'Ivoire to ensure the activities in these regions are aligned with the corporate objectives of the group.

The board delegates certain of its responsibilities directly to the committees (see section below).

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. The board is in receipt of detailed financial and operational monthly reports as well as the quarterly and annual financial disclosures.

The board has delegated certain matters to its committees and their reports are presented within the strategic or directors' reports as explained in the table below.

Health, safety, environmental and sustainability committee – strategic report pages 36 to 49.	CSR report – see the HSES committee report on page 36.
Audit and risk committee – directors' report page 106.	Risk and control environment – see audit and audit and risk committee on page 106.
Remuneration committee – directors' report pages 86 and 87.	Directors' remuneration report – see pages 82 to 105.
Nomination committee – directors' report pages 78 and 79.	Succession planning – see the nomination committee report on pages 79 to 81.
Compliance and corporate governance – directors' report pages 76 and 77.	Compliance statement with the corporate governance code – see page 65.

INTRODUCTION continued

Board appointments and independence

When determining whether a director is independent, the board has established a directors' test of independence policy, which is based on the definitions of independence in the Canadian Securities Administrators' National Instrument 52-110 – Audit Committees and the Code.

Based on this policy, the majority of the board is considered independent non-executive directors.

Following the resignation of Kevin Tomlinson in May 2016, the board and nomination committee have met and approved the appointment of Trevor Schultz (non-executive director) as a member of the remuneration and nomination committees, and Edward Haslam (deputy chairman and senior independent non-executive director) as a member of the health, safety, environmental and sustainability committee.

The Company remains compliant with the provisions of the Code, whereby at least half the board, excluding the chairman, comprises non-executive directors who are determined by the board to be independent.

Key activities of the board in 2016

STRATEGIC		
SUKARI	**ACTIVITIES**	**ACTION**
Cash generation – production guidance and cost estimates	Setting budgets, production and cost guidance for the year.	Approval and announcement of guidance in January 2016 – re-guided in August 2016.
Cash generation – operational efficiency	Review proposals for contract tendering and systems improvements.	Tendering of significant contracts. Implementation of the Mainpac upgrade (stores and procurement software).
Shareholder returns – dividend policy	Review of budgets and forecasts. Review of cost recovery model and profit share arrangements.	Declaration of half-yearly and final dividends. Approval of revised dividend policy.
Growth strategy – exploration	Review proposals for the Cleopatra decline and capital expenditure.	Approval of Cleopatra decline and capital expenditure.
Social responsibility – health and safety	Sukari operational review, health and safety statistics and monthly reporting. Review of existing projects and maintenance programmes.	Additional detail provided in monthly reporting to the board. Existing projects (Marsa Alam power plant and playground) maintained to required standards.
WEST AFRICA EXPLORATION	**ACTIVITIES**	**ACTION**
Health and safety	Integrated reporting of HSES statistics.	Additional detail provided in monthly reporting to the board.
Growth strategy	Approval of capital expenditure and exploration drilling programme. Review exploration budgets and relative spend and results. Review of updated resource statement.	Completion of 2016 drilling programme in Burkina Faso and Côte d'Ivoire. Ensure allocation of resources across the prospects and targeted exploration programmes. Approve announcement for the updated resource in Côte d'Ivoire.
CORPORATE, LITIGATION AND RISK	**ACTIVITIES**	**ACTION**
Corporate	Update on Market Abuse Regulation ("MAR") and related policy changes. Review of the updated corporate website.	Approval of amended policies and procedures. Approval and launch of the new corporate website.
Litigation	Litigation updates on the Company's ongoing court hearings (details of which can be found in note 4).	Confirm litigation strategy and approve court submissions.
Risk	Review of the Company's principal risks, risk appetite and linkages to long term viability.	Updates to the risk register, internal communication of the Company's risk appetite and setting out the linkages between longer term risks and the ongoing viability of the business.
PERSONNEL	**ACTIVITIES**	**ACTION**
Appointments – nomination committee recommendations	Personnel requirements following resignation of senior management and non-executive director.	Approval of appointment of CFO and committee appointments.
Succession – nomination committee recommendations	Review of succession planning, diversity and board performance and evaluation.	Agreement on timing/priorities for succession planning for key roles.
Remuneration – remuneration committee recommendations	Review of KPIs for the executive directors and senior management and reviewing performance appraisals.	Approval of awards, vesting criteria and bonus structure.

CASE STUDY – GOVERNANCE IN ACTION

A major part of the strategic growth in 2016 relates to the review, approval and development of the Cleopatra decline at the north end of Sukari Hill. An initial capital expenditure commitment of US$11.5 million is required to commence the project and develop phase 1 and phase 2. The board was provided with a management proposal which covered the following key areas:

- executive summary;
- phase 1 and 2 drill meters and estimated development tonnes;
- phase 3 stoping proposals;
- phase 4 access and development proposals; and
- cost estimates and initial returns.

Detailed geological data, including assay results and 3D images of the interpreted mineralised zones were included in the report. In addition, a clear plan setting out the stage of development in conjunction with the existing operation was provided together with the infrastructure, equipment and personnel requirements. A breakdown of likely cost and potential grades from the initial stages of development was provided to the board.

The board unanimously approved the proposal, following which onsite activity commenced to include the first drive development and underground exploration.

During the approval process, the board discussed the likely future contribution Cleopatra would make to production at Sukari and the cost/benefit analysis of the development in the context of the wider open pit mine plan and existing underground operation. The board has substantial experience in mining and are familiar with the ore body. As such, they were able to knowledgeably debate the proposed approach to the project, whilst equally recognising the benefits of the strategy.

The initial project is aimed at developing infrastructure with the capacity to support mining rates of up to 1Mtpa from this area. Ultimate production rates will depend on future results from the programme and further development, and would be in addition to the current underground ore production from the Amun and Ptah declines.

The board reviews any changes to its charters and policies annually and in readiness for the introduction of the Market Abuse Regulation ("MAR") in July 2016, certain of the policies and charters were updated to comply with MAR. In particular, the Company's existing disclosure committee was placed on a more formal footing, which is consistent with MAR and updated procedures and templates were also approved by the board to comply with MAR. Training was provided to the board and senior management in relation to these changes in the Company's policies and procedures.

Amendments to the board and committee charters are monitored annually and include the latest amendments to the 2016 UK Corporate Governance Code.

The board and audit and risk committee spent time reviewing their internal control environment, risk management processes and internal and external reporting.

Areas of focus for the board in 2017

Strategic planning – the board regularly reviews and approves strategic plans and initiatives put forward by management and the executive, including growth proposals and efficiency initiatives. Details of the strategic objectives for cash generation, shareholder return, growth and social responsibility can be found in the strategic report.

Communications – the board oversees the Company's public communications with shareholders and other stakeholders and will continue to ensure systems remain appropriate to meet the demands of the business.

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 continue to review its processes for risk identification and evaluation, improving internal communication and external reports in this area.

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 continue to work with the internal auditor, who are now in their second year to help bring about efficiencies within the business. The appointment of BDO LLP as the Company's internal auditor has led to a number of suggestions including formalities around risk reporting (to the board and employees), cyber security and related infrastructure improvements and stock and inventory management processes.

Reporting and audit – the board, through the audit and risk committee, has reviewed and implemented upgrades to the accounting systems. This process of review and enhancement of systems will continue in 2017 with a view to streamlining processes and improving the reliability and timeliness of internal reports.

INTRODUCTION continued

Areas of focus for the board in 2017 continued

Relationship with stakeholders – the board will continue to maintain, develop and monitor relationships with key stakeholders including EMRA in relation to Sukari and other governmental bodies in Burkina Faso and Côte d'Ivoire.

Board effectiveness

Each committee carries out a self-assessment evaluation of its effectiveness over the year. This review compares the responsibilities and objectives of the committee against the activities carried out during the year. This evaluation is submitted to the board for review. The internal annual performance evaluation of the board was completed in January 2017 for the year ended 31 December 2016.

The non-executive directors meet at least annually, without the chairman or CEO present and evaluate their performance during the year. The board is assisted by the nomination committee on its evaluation of the non-executive directors. The Institute of Directors were appointed as the Company's external facilitator in May 2016 to assess the effectiveness of the board. The evaluation covered six key areas including i) board dynamics, ii) strategic direction and clarity of purpose, iii) delegation to management, iv) stakeholder engagement v) board process and vi) risk management.

The full report was presented to the senior independent non-executive director and deputy chairman, Edward Haslam who discussed the findings with the non-executive directors and separately with the chairman and CEO.

The external facilitator concluded that "the board is highly cohesive as a group and appears to discharge the business of the board effectively, this is a good board and there are no causes for concern".

The recommendations following the survey can be summarised in three main areas:

- **succession planning approach:** build more formality around the process with consideration to diversity;
- **induction process:** build formality around the process of induction; and
- **roles and responsibilities:** continue to further define the role of the CEO following his appointment in February 2015.

The board considered the results of the survey and noted the following in respect to an action plan:

Succession planning

BOARD DISCUSSION	BOARD ACTION PLAN	OWNERS
Review of vacancies within the business and identify key personnel at head of department, senior management and executive levels.	(1) Action recruitment plans for senior management and heads of department. (2) Consider the process for succession planning and any proposed improvements. (3) Consider non-executive director requirements.	Action 1: CEO. Action 2: Board/nomination committee. Action 3: Senior independent non-executive director and deputy chairman/nomination committee.
Review and monitoring: the action plan will be monitored by the board through monthly board reports which include updates on personnel, quarterly meetings and annual non-executive director meetings.		

Induction and training

BOARD DISCUSSION	BOARD ACTION PLAN	OWNERS
Discuss current process for induction and training of directors and senior management and consider improvements and additional formality where required.	(1) Review existing induction procedures and share with the board. (2) Update procedures to ensure documents are centralised. (3) Centralise training materials and carry out periodic review to ensure they remain up to date.	Action 1: CEO aided by the company secretary and legal counsel. Action 2/3: Company secretary and legal counsel. Table to the nomination committee.
Review and monitoring: the action plan will be monitored by the board through updates from the nomination committee.		

Roles and responsibilities

BOARD DISCUSSION	BOARD ACTION PLAN	OWNERS
Review division of responsibilities and identify areas requiring specific allocation. Review targets set by the remuneration committee and ensure appropriately defined to measure performance and segregate specific KPIs.	(1) Discuss with CEO/chairman proposals to help further define roles and responsibilities. (2) Define CEO responsibilities further through the job description and balanced scorecards. (3) Agree KPIs and performance measures as part of routine annual performance appraisal.	Action 1: Senior independent non-executive director and deputy chairman to meet with CEO/chairman. Action 2: Nomination committee to review job descriptions. Action 3: Remuneration committee to recommend KPIs and performance conditions as part of the annual review process.
Review and monitoring: the action plan will be monitored by the board through updates from the nomination and remuneration committees.		

It is noted that none of the recommendations and subsequent actions were seen as weaknesses in existing procedures or reporting and represented improvements to existing processes and procedures.

As a direct result of the internal and external evaluation process, there were no proposed changes to the membership of the committees or the composition of the non-executive directors or executive directors. The nomination committee and the board discussed the need for any new appointments to the board, either through the process of succession planning or external appointments. Discussions of this nature will continue in 2017. The recommendations and any resulting actions were discussed by the board in 2016 with Edward Haslam (senior independent non-executive director and deputy chair) charged with implementing any of the required recommendations.

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 principal risks and the extent to which it believes these risks are being appropriately managed and mitigated.

Full details of the risk environment can be found in the risk management report on page 30 to 35.

The board is pleased to confirm that the Company remains in compliance with best practice guidelines, with the 2014 UK Corporate Governance Code and relevant Canadian requirements, and the systems in place to manage risk and the internal control environment have been in place for the year under review, up to the date of approval of the annual report and financial statements.

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;
- material contracts and contract management;
- 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 recommendations to enhance the internal control environment following the review and these are summarised below:

- continue to upgrade the finance accounting software in addition to the work completed in 2016;
- carry out a complete review of all material and major contracts in conjunction with the existing tender process;
- utilise the services of the internal auditor to evaluate the IT environment and ensure efficient use of the existing infrastructure; and
- continue to build upon the existing reporting framework with a view to enhancing the reporting flows from the business and communicating the policies, business strategy and culture to the organisation.

It was noted that the review of the internal control environment and subsequent recommendations were not seen as significant failings or weaknesses, but are reflective of the detailed review that was undertaken.

Employees

Information relating to employees is contained in the CSR report together with details of the number of employees at Sukari. The Company 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 the Company expects all staff to operate.

For a summary of the social conditions in Egypt and the Middle East and an explanation as to the gender balance in the workforce, please see the CSR report on page 39.

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.

Political donations

The Company 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 16 to the financial statements.

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.

Director since 26 August 2002

Board meetings attended 4/4

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.

Andrew Pardey

Chief executive officer
(CEO since February 2015)

Andrew Pardey was appointed CEO and director of the board of Centamin plc on 1 February 2015. Andrew served as general manager of operations at the Sukari Gold Mine before his previous appointment as chief operating officer in May 2012.

CEO since 1 February 2015

Board meetings attended 4/4

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.

Edward Haslam

Deputy chairman and 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 23 March 2011

Board meetings attended 4/4

Experience

Edward has been a non-executive director (and chairman from June 2007 to April 2012) of the LSE listed Talvivaara plc (since 1 June 2007) and from 1 May 2004 to April 2016 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 membership

Audit and risk committee
Remuneration committee (chair)
Nomination committee (chair)
Compliance and corporate governance committee

Trevor Schultz

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 of operations from 20 May 2008.

Director since 20 May 2008

Board meetings attended 4/4

Experience

With more than 40 years' experience at executive and board level, Trevor has an MA in Economics from Cambridge University, an MSc degree in mining from the Witwatersrand University and has completed the Advanced Management Program at Harvard University.

Committee membership

HSES committee (chair)

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 4/4

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 membership

Compliance and corporate governance committee (chair)
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 and holds Bachelor of Commerce and Bachelor of Accounting degrees from the University of the Witwatersrand.

Director since 24 February 2011

Board meetings attended 4/4

Experience

Mark was appointed CEO of ASX listed Nzuri Copper Limited (formerly Regal Resources Limited) in August 2016 and is also the sole director of ARM Advisors Proprietary Limited. He has also served on the board of Gulf Industrials Limited.

Committee membership

Audit and risk committee (chair)
Compliance and corporate governance committee
Remuneration committee
Nomination committee

Resignations during the year:

Kevin Tomlinson served as a non-executive director during the year and resigned on 16 May 2016. Kevin had been a non-executive director of Centamin plc since 17 January 2012. Kevin attended both board meetings while acting as a director.

SENIOR MANAGEMENT

Finance and business development

Ross Jerrard
Chief financial officer

Before joining Centamin as CFO in April 2016, Ross Jerrard was a partner with Deloitte. Ross has led many teams providing audit and related financial advisory services to public companies, and national and international groups. Prior to moving to Australia, Ross worked in Southern Africa and the Middle East providing services for a range of resource companies. Specifically relevant to Centamin is that he spent three and a half years in Egypt, based in Cairo, acting for multinational companies operating in the region. Ross is a member of the Institute of Chartered Accountants in Australia, the Institute of Chartered Accountants in Zimbabwe and the Australian Institute of Company Directors.

Since 18 April 2016

Andy Davidson
Head of investor relations

Prior to joining Centamin in August 2012, Andy Davidson worked for nine years as a mining analyst, including three years as an equity research director at the London-based investment bank Numis Securities. Before this, Andy was a senior exploration geologist within the mining industry, including six years with Ashanti Goldfields 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

Norman Bailie
Group exploration manager

Norman Bailie joined Centamin in January 2017 and brings to the role over 25 years' industry experience in providing exploration and resource consultancy to all levels of exploration and mining companies in West, East and Central Africa and South America. Norman is an accredited Chartered Professional Geologist and Manager through the Geol Soc UK and AusIMM, and a fellow of IOM3 UK and SEG USA as well as a competent person under JORC/ 43-101 criteria.

Since 26 January 2017

Operations

Youssef El-Raghy
General manager – Egyptian operations

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

Since 13 April 2006

Terry Smith
General manager – 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 – Sukari

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 of AusIMM and has 30 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

Legal and compliance

Lynne Gregory
General counsel

Before joining Centamin, Lynne Gregory was a legal director at Charles Russell LLP, prior to which she was a solicitor at top law firms in London, Allen & Overy and Baker & McKenzie. Lynne 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 Abou Elailah 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 17 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 company secretary

Heidi Brown is a Fellow Chartered Secretary (FCIS, FGIA) and GAICD. Heidi 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

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CORPORATE GOVERNANCE

"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.

Mark Bankes
Chairman of the compliance and corporate governance committee

Dear shareholders

I am presenting this corporate governance report in my capacity as chairman of the compliance and corporate governance committee, a committee established by the board of the Company. The committee's primary functions, responsibilities and duties are set out in the committee charter.

Compliance and corporate governance committee

As at the date of this report, the compliance and corporate governance committee is chaired by Mark Bankes and its members are Edward Haslam and Mark Arnesen.

The activities undertaken during the year included the following:

ACTIVITIES	COMMITTEE COMMENTARY
Review of progress in respect to the Concession Agreement court appeal hearing (see note 21 to the financial statements)	Whist the substantive merits of the case remain strong, Law no. 32 (which is legislation designed to protect and encourage foreign investment) should bring a resolution to this litigation in the Company's favour. The committee monitors with interest the outcome of developments in the appeal challenging the validity of Law no. 32 and reviews the litigation process in the Egyptian courts more widely.
Review of progress in respect to the DFO litigation (see note 21 to the financial statements)	The committee was disappointed with the State Commissioner's report produced in September this year, however the report, which is non-binding, does not, in the committee's view, impact the strong merits of our case. Our legal advisers do not believe the report properly addresses the key arguments of the Company's case. The committee continues to monitor progress in the Egyptian courts to resolve this dispute.
Monitoring of government relations relating to the Concession Agreement and review of the timing and mechanism of profit share	The committee reviews key correspondence between senior management and government. With the onset of profit sharing with the Egyptian government ("EMRA") this year, the committee wishes to ensure that the process is properly managed in accordance with the Concession Agreement and that all parties continue to be treated fairly and equitably.
Review updates to the Company's policies and procedures following the introduction of the Market Abuse Regulation ("MAR")	The committee reviewed the impact of MAR and the consequent amendments to policies and procedures. There were no significant substantive changes to the protocols already in place and the committee considered the Company's policies particularly in respect of disclosure and securities trading which were already more robust than those mandated by MAR.
Assisting with discussions on public announcements through the disclosure committee	The committee agreed to place the existing disclosure committee on a more formal footing.
Review of the reporting and disclosure requirements required by the LSE and TSX	The committee is active in the review of public disclosures and continue to review and comment on such disclosures to ensure messaging and information is clear and understandable to the market.

Shareholder communication

All shareholders are encouraged to attend our AGM on 21 March 2017, which will be held in Jersey. This will be an excellent opportunity to meet board members and our senior management team.

The board of directors aims to ensure that shareholders are provided with important information in a timely manner via written and electronic communications.

The chairman, CEO, senior independent non-executive director and deputy chairman as well as 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 certain of the proxy advisory companies, which provide guidance and voting recommendations to shareholders, is discussed by the board.

Shareholder communication is maintained through the following key information channels:

- the annual report;
- the notice of annual general meeting and management information circular;
- the annual general meeting;
- the annual information form;
- quarterly and half-yearly financial and operational reports;
- continuous disclosure requirements and regulatory announcements;
- webcasts on quarterly and annual financial and operational results;
- the Company's website;
- registrar services; and
- electronic and postal notifications.

Key shareholder and investor relations activities held throughout this financial year:

DATE	ACTIVITY
January and February 2016	Investor conference, London Investor conference, South Africa
March and April 2016	Investor marketing, North America Investor marketing, London Analyst site visit, Sukari
May to September 2016	Analyst and investor conference calls Roadshow, Scotland Conference, Denver
October and November 2016	Analyst and investor conference calls Investor marketing, London

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 a formal continuous disclosure policy to ensure this occurs. A sub-committee of the board, known as the continuous disclosure committee, monitors and advises on the Company's continuous disclosure obligations. All actions and decisions of the sub-committee are presented to the compliance and corporate governance committee at the next available meeting. The committee report to the board on any matters discussed by the disclosure committee.

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

Mark Bankes
Chairman of the compliance and corporate governance committee

1 February 2017

NOMINATION REPORT

"The committee was focused this year on succession planning, to ensure that the key personnel within the organisation had the support and training to allow them to reach their potential.

G Edward Haslam
Chairman of the nomination committee

Dear shareholders

I am presenting this report as chairman of the nomination committee, a committee established by the board of the Company.

The committee played an active role in the review of succession plans and assessing progress to fill key vacancies within the organisation.

The committee also considered the role and responsibility of the chairman, Josef El-Raghy and the CEO, Andrew Pardey who was appointed CEO on 1 February 2015. The interplay between chairman and CEO is important and the committee spent time with both individuals to ensure their roles were defined and the new CEO had the required support of the board and management team.

Following the resignation of our former CFO, the committee was actively involved in the recruitment process to identify and appoint a new chief financial officer. Ross Jerrard was appointed and joined the Company on 18 April 2016. A key consideration of the committee was the support and training needed for Ross as an officer of the Company.

The committee considered the proposal to appoint Trevor Schultz as a member of the remuneration committee and nomination committee, and Edward Haslam as a member of the HSES committee. The appointments followed the resignation of Kevin Tomlinson in May 2016. In both cases, the committee evaluated the composition, experience, balance and skill set on each of the committees. Further details are set out opposite.

The committee met three times during the year and held one meeting by way of written resolution. The committee undertook the following activities:

- reviewed the board succession plans and progress to fill vacancies among the senior management team;
- made recommendations to the board on the appointment to the committees and senior management;
- made recommendations as to the structure, size and composition of the board and board committees;
- reviewed the competencies, skills, knowledge and experience of directors;
- made recommendations for the appointment and re-election of directors to the board;
- considered the requirements for board diversity (including gender and ethnic diversity); and
- reviewed the policy on senior and executive recruitment and succession planning.

In 2016, the nomination committee and the board discussed the need for any new appointments to the board, either through the process of succession planning or external appointments and determined that no changes or additions were necessary at this time. Discussions of this nature will continue in 2017.

The report provides more detail on the activities, decisions and policies of the nomination committee and the board.

Edward Haslam
Chairman of the nomination committee

1 February 2017

NOMINATION REPORT continued

Nomination committee

As at the date of this report, the nomination committee comprises Edward Haslam (chairman) and Mark Arnesen, both of whom are independent non-executive directors, and Trevor Schultz, who is a non-executive director of the Company. Trevor was appointed on 1 October 2016 following the resignation of Kevin Tomlinson in May 2016.

Board diversity

The board set out its updated policy on recruitment, the selection process and succession planning in the 2015 annual report and further considered the recommendations of the nomination committee both in connection with recruitment policy, selection process and succession planning in 2016.

In particular, in connection with board diversity, the board's position is that, whilst all appointments should be continued to be made on merit, female candidates will continue to be considered routinely as part of the recruitment process. It remains the board's intention to identify a suitable female candidate as part of the recruitment process as and when the need arises for a new appointment at board level. In addition, and as part of our succession planning, the committee will continue to appoint and encourage female professionals to apply for managerial positions to ensure a progressive pipeline of talent within the Company's management and senior management team.

However, women do still account for a small percentage of the workforce, particularly in Egypt where only 1% of the Egyptian workforce 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 women are employed throughout the group in the administrative offices and at the Company's headquarters and onsite in Burkina Faso and Côte d'Ivoire. Of our West African employees, over 10% are women working in Ouagadougou as geologists based at camp. Across the Company, a number of women hold senior positions in the areas of legal, accountancy, HSES and subsidiary directorships.

In developing the Company's policy on diversity, the board has considered the requirements of the Code and 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.

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 and CEO, discussing the quality of reporting and information flows to the board and discussions on the strategic aims and objectives for the group.

The board is assisted by the nomination committee on its evaluation of the non-executive directors. An external facilitator was appointed in May 2016 to assess the effectiveness of the board. The last review by an external facilitator was carried out in May 2013. A summary of the review can be seen in the corporate governance section on page 70.

The non-executives also discussed openly with the executive directors, the areas they could assist further with in relation to business development, succession planning and strategy relating to the appointment and retention of key personnel.

An evaluation of the board and its committees was undertaken during the year and was concluded in March 2016. The board, in conducting its 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 reviewed its own membership and performance and this review was concluded in December 2016.

The nomination committee had recommended to the board the following key appointments:

- appointment of Ross Jerrard as CFO (as an officer of the Company), who joined in April 2016;
- appointment of Trevor Schultz on the remuneration and nomination committees (as a member of the committees); and
- appointment of Edward Haslam on the HSES committee (as a member of the committee).

Details of the appointment process for the role of CFO (an officer of the Company) are set out in the 2015 annual report.

In respect to the appointment of Trevor Schultz, the committee was aware of the Corporate Governance Code (the "Code") which requires three independent non-executives to be appointed to the remuneration committee. The committee noted that as a former executive director who served on the board between May 2008 and May 2014, Trevor Schultz was not considered to be independent.

The committee gave due consideration to Trevor's experience and expertise and the composition of the remuneration and nomination committees, and recommended his appointment as a member of the remuneration and nomination committees, notwithstanding the technical breach of the Code.

The committee noted that Trevor has been integral to the establishment of Sukari as a globally significant gold mining operation, and oversaw the construction of the Stage 4 process plant. He has a unique vantage point into the workings of the operation, what the mine is capable of achieving and also knows the challenges faced in operating the first modern mine in Egypt. With these attributes, the committee considered that Trevor Schultz will add significant value, particularly when setting challenging but realistic performance targets and critically assessing the achievements of senior management and executive directors. In particular, with a working knowledge of the mine and practical experience, he is well positioned to guide the committee on some of the key nomination and remuneration decisions regarding senior management and executive appointments, retention and salary as well as identifying key candidates and existing team members for succession planning. The proposal to appoint Trevor Schultz as a member of the remuneration and nomination committees was proposed by the committee and ratified by the board in August 2016.

The appointment of Edward Haslam as a member of the HSES committee was considered by the committee and approved by the board in August 2016. The committee and the board considered Edward's experience and expertise and the composition of the HSES committee.

The committee continues to work closely with the chairman and CEO to ensure that the roles and responsibilities are clearly defined, and that the CEO has the required support of the board and senior management to undertake the role effectively.

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 external legal advisers. Topics included a regulatory update, recent case law discussions and an update on the new Market Abuse Regulation.

REMUNERATION REPORT

"Our remuneration decisions are designed to motivate and reward exceptional performance.

Edward Haslam
Chairman of the remuneration committee

1. Introduction and annual statement

As chairman of the remuneration committee, I am pleased to present the 2016 remuneration report and 2017 remuneration policy.

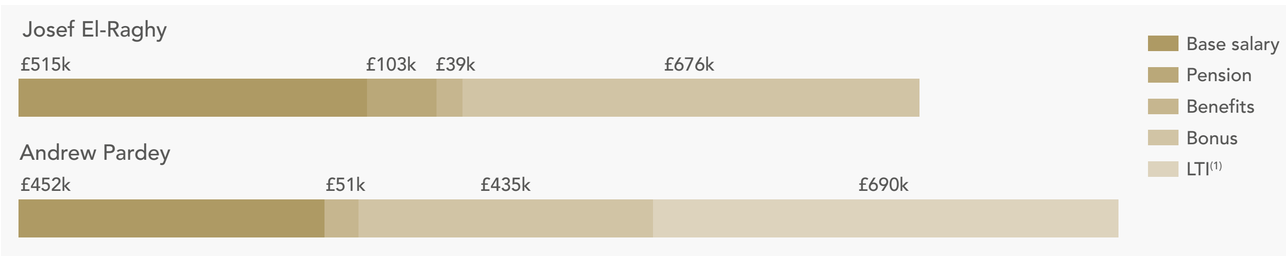
The committee maintained a simple yet effective remuneration structure during the year, with the key elements of base salary, bonus and long term restricted share plan ("RSP"). The report itself has been modified this year to provide further information on the committee's remuneration decisions and the key performance targets that are set for the executive directors.

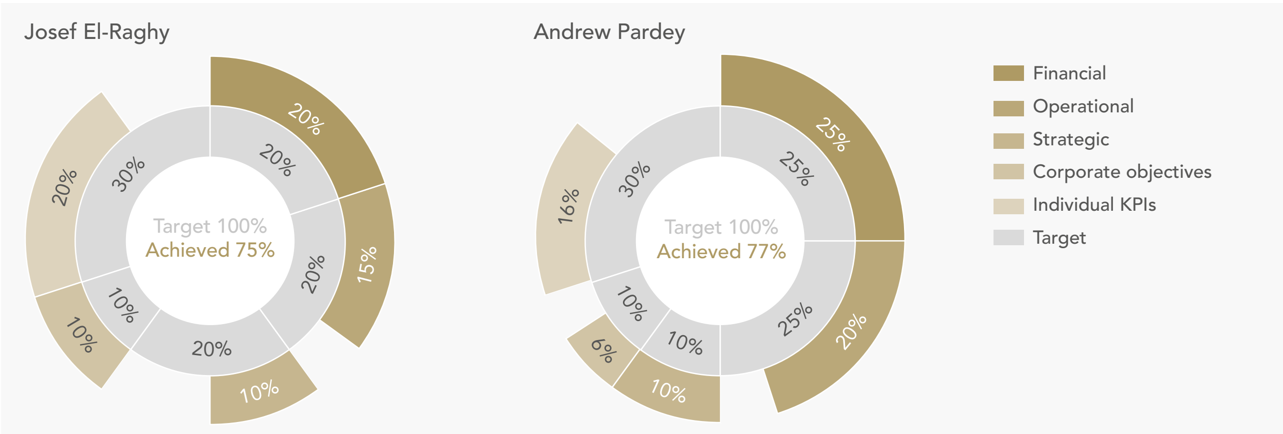
Changes to the committee

The committee welcomed Trevor Schultz (non-executive director) to the remuneration committee later in the year, following the resignation of Kevin Tomlinson. Trevor brings to the committee a wealth of industry experience having overseen the construction of Stage 4 at Sukari. This unique vantage point into the workings of the operation and first-hand experience of the challenges faced in operating the first modern mine in Egypt will add significant value to the committee.

Single figure remuneration 2016

The following chart summarises the total remuneration to the executive directors in 2016. Full details are shown in the single figure table.





(1) LTI is based on an award of 150% of base salary.

Performance

As set out in the business model, Centamin creates value through the process of gold exploration and production, maximising production at the lowest possible cash cost of production and all-in sustaining cost. The gold and silver doré bars produced at Sukari are sold to our appointed refiners who, in turn, refine the doré bars and sell the near-pure gold at the price determined by the London bullion markets.

The performance targets set by the committee for the RSP and executive bonuses relate to the value chain created by the Company. The relative success of the executives in implementing the Company's strategic aims are assessed by the committee using a balance scorecard approach. Some of the key metrics used by the committee to assess performance can be summarised as follows:

- **safety:** improving the health and safety environment and maintaining a culture of safety in the workplace assessed via LTIF rates;
- **production:** delivering base case production (ounces produced) and rewarding maximising the upside potential of the mine;
- **cost control:** maintaining cash cost of production and all-in sustaining cost within budgeted and forecast rates; and
- **stakeholders:** in-country stakeholder management through co-operative relations with government resulting in operational efficiency.

Additional metrics used by the remuneration committee to measure the success of the executive directors are set out further in the report.

Salary reviews

The committee undertook salary reviews for both of the executive directors. The independent salary review took into consideration the directors' personal performance, their updated roles and responsibilities and industry benchmarking data. The committee proposed an increase of 3% for Josef El-Raghy from 1 January 2017 in line with the average cost of living increase. The Company's CEO, Andrew Pardey received a 7% salary increase effective from 1 January 2017, to align the CEO's base salary closer to the market median, in accordance with the Company's remuneration policy approved by shareholders in May 2016.

Fee reviews

Reviews of the non-executive directors' fees were undertaken. There were no proposed changes to the structure of the non-executive directors' fees.

RSP

Andrew Pardey (CEO) will continue to participate in the RSP in 2017 with an expected grant of up to 150% of base salary to be awarded. Josef El-Raghy (chairman) does not currently participate in the scheme and as a shareholder(1) with a 4.67% interest in the Company, Josef El-Raghy remains aligned with the interests of shareholders.

Shareholder consultation

I have engaged with shareholders and proxy advisory firms during the year, which has resulted in an improvement in our disclosures on performance targets as well as further explanation on the criteria used to assess executive performance. Although our remuneration policy remains unchanged in all material respects, we will continue to present our policy to shareholders annually seeking a non-binding vote.

As a non-UK Company, we are not required to seek a binding vote for our remuneration policy, but adhere to the requirement by presenting the report annually for approval. We will continue to engage with shareholders, proxy advisory firms and other stakeholders throughout 2017.

Bonus structure

The executive bonus opportunity and structure for 2016 will remain the same in 2017. For the executive directors, the maximum bonus opportunity is 175%. This bonus opportunity for executive directors will be reduced to a maximum bonus opportunity of 125% in any year where an award under the RSP is made.

Summary

The Company reached a significant milestone this year having recovered in excess of US$1 billion of capital expenditure since production started at Sukari in late 2010. With an expected 20 year mine life, the Company looks set to make significant returns to all of our stakeholders, including our partner, the Egyptian government. There are still challenges, particularly in respect of the ongoing litigation, details of which are set out in note 21 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 2016 have been taken by the committee.

The following report has been made available to the auditor; PricewaterhouseCoopers LLP, and section 5 (where indicated), 'annual remuneration report' has been audited by PricewaterhouseCoopers LLP.

Edward Haslam
Chairman of the remuneration committee

1 February 2017

(1) Includes the El-Raghy Family.

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REMUNERATION REPORT continued

Executive directors' remuneration at a glance

The following provides a summary of how the Company has applied the remuneration policy and the linkages to the Company's strategy and performance.

The performance measures for bonus awards and the conditions associated with the Company's restricted share plan ("RSP") relate to the following strategic focus areas:

Key measures

1 CASH GENERATION	IMPACT ON BONUS AND AWARDS	2 GROWTH	IMPACT ON BONUS AND AWARDS
Gold production	• 30% of RSP based on production growth (CAGR) • Impacting bonus awards against guidance published in January 2016	Self-funded growth	• 30% of RSP based on reserve replacement and growth
Cost control	• Impacting bonus award against guidance published in January 2016	Sukari – Cleopatra Decline	• KPIs for delivery of strategic objectives
Optimising production	• Bonus structure rewarding optimisation of the plant at Sukari	Exploration in Burkina Faso and Côte d'Ivoire	• Long term incentives to identify and deliver on projects outside of Egypt
Stable finances and shareholder returns	• Personal KPIs for formalising and implementing sound policy decisions		
3 SHAREHOLDER RETURNS	**IMPACT ON BONUS AND AWARDS**	**4 SOCIAL RESPONSIBILITY**	**IMPACT ON BONUS AND AWARDS**
Consistent dividend policy	• 50% of 2015 RSP grant based on improvements in EPS (CAGR) • Delivering shareholder returns consistent with the Company's dividend policy	Safety record	• LTIFR directly linked to bonus structure
Shareholder return relative to peers	• 20% of RSP based on relative performance against peers (TSR)	Human resources	• HR statistics including retention, training, reduced absences linked to individual KPIs
		Government relations	• Maintaining key relationships linked directly to individual KPIs
		Community initiatives	• Delivery of initiatives linked to individual KPIs

Key operational and financial metrics:

- 2016 production: 551,036 ounces produced representing a 26% increase on 2015;
- LTIFR: maintained a low levels during the year;
- cash cost of production: decreased to US$513 per ounce produced from US$713 in 2015;
- all-in sustaining cost: US$694 per ounce sold was below our forecast of US$720-750;
- EBITDA: US$373 million and an increase of 145% on the prior year;
- EPS: earnings per share (before profit share) of 23.05 US cents up 412% on 4.51 US cents per share in 2015; and
- TSR performance (31 December 2014 – 2016): Centamin is ranked in the upper quartile against its peer group.

Restricted share plan ("RSP")

The restricted share plan was implemented and approved by shareholders in 2015 and is designed to incentivise executive directors and senior employees over the longer term (a three to five year period). Of the executive directors, only Andrew Pardey (CEO) has been granted awards under the RSP to date. The performance conditions for the respective grants are as follows:

June 2015 grant – restricted share plan

Performance conditions (threshold at 25% to maximum at 100%):

- 20% of the assessed by reference to a target total shareholder return;
- 50% of the award shall be assessed by reference to absolute growth in earnings per share; and
- 30% of the award shall be assessed by reference to compound growth in gold production.

2015 Grant	2018 Vesting of award	2020 Release of 50% of award
THREE YEAR PERIOD – PERFORMANCE CRITERIA		TWO YEAR HOLDING PERIOD

June 2016 grant – restricted share plan

Performance conditions (threshold at 25% to maximum at 100%):

- 20% of the award shall be assessed by reference to a target total shareholder return;
- 30% of the award shall be assessed by reference to reserve replacement and growth;
- 20% of the award shall be assessed by reference to EBIDTA; and
- 30% of the award shall be assessed by reference to compound growth in gold production.

2016 Grant	2019 Vesting of award	2021 Release of 50% of award
THREE YEAR PERIOD – PERFORMANCE CRITERIA		TWO YEAR HOLDING PERIOD

June 2017 grant – restricted share plan

Performance conditions (threshold at 25% to maximum at 100%):

- 20% of the award shall be assessed by reference to a target total shareholder return;
- 30% of the award shall be assessed by reference to reserve replacement and growth;
- 20% of the award shall be assessed by reference to EBIDTA; and
- 30% of the award shall be assessed by reference to compound growth in gold production.

2017 Grant	2020 Vesting of award	2022 Release of 50% of award
THREE YEAR PERIOD – PERFORMANCE CRITERIA		TWO YEAR HOLDING PERIOD

Details of the awards are set out in section 7 of this report.

REMUNERATION REPORT continued

2. Summary of executive remuneration

Chairman

The base salary for Josef El-Raghy, which is paid in sterling, at GBP515,000 for 2016 will rise by 3% effective from 1 January 2017 to GBP530,450. An annual pension contribution of 20% of base salary is made to Josef El-Raghy.

The bonus outcome for Josef El-Raghy for 2016 was 75% of the maximum opportunity, which equates to GBP675,938 and represents 131% 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, strategic and individual performance criteria. Full details are on pages 96 and 97.

Chief executive officer

The base salary for Andrew Pardey, which is paid in sterling, at GBP460,000 will rise by 7% effective 1 January 2017 to GBP492,200. The increase is consistent with the Company's remuneration policy and aligns the base salary closer to the market median.

The bonus outcome for Andrew Pardey for 2016 was 77% of the maximum opportunity, which equates to GBP435,531 and represents 96% of base salary. The bonus calculation is made by reference to a balanced scorecard which comprises a combination of financial, operational, strategic and individual performance criteria. The remuneration for Andrew Pardey in 2016 still positions him below the median based on the market data.

Andrew Pardey participates in the RSP and is due to receive awards in June 2017 of up to 150% of base pay. These awards remain subject to the performance conditions set out in the scheme. The last tranche of awards made to Andrew Pardey under the terms of the DBSP, which were issued prior to his appointment as CEO, will vest in June 2017.

3. The committee

The committee membership

The remuneration committee is a committee of the Company represented by three non-executive directors, namely, Edward Haslam (chairman of the committee), Mark Arnesen and Trevor Schultz. Edward Haslam and Mark Arnesen are regarded as independent.

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

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, attend meetings when their own remuneration is under consideration.

Activities of the committee

COMMITTEE MEMBERS	JOINED	ATTENDANCE IN 2016
Edward Haslam (Chairman of the committee)	2011	4 of 4 meetings
Mark Arnesen	2011	4 of 4 meetings
Trevor Schultz	2016	1 of 1 meetings
Kevin Tomlinson	Resigned 16 May 2016	2 of 2 meetings

The committee met four times in the year and held two meetings by way of written resolution. The business conducted is set out below.

COMMITTEE MEETING DATE	ACTIVITY
2 March 2016	• Reviewed DRR for the annual report and finalised the 2016 remuneration policy. • Finalised performance conditions for the RSP. • Reviewed the balanced scorecards and key performance measures for the executive directors and senior management team to ensure they remained appropriate and consistent with the ongoing business objectives. • Review of committee charter and approve any minor amendments.
10 May 2016	• Confirmation of executive director salaries and benchmark data following the AGM. • Review of non-executive director fees. • Made recommendations to the board to grant awards to Andrew Pardey under the RSP and awards to senior management under the RSP and DBSP.
3 and 13 June 2016 (written resolution)	• Finalised awards under the RSP and DBPS and finalise the vesting of awards under the DBSP.
8 September 2016	• Review of individual KPIs and assess executive objectives against the balanced scorecards and strategic objectives.
8 December 2016	• Conducted 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 executive director fees. • Evaluation of the committee and review of the charter. • Prepared performance criteria recommendations for 2017 for the executive and senior management.

Terms of reference

The responsibilities of the committee are set out in the charter and include:

- 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 ("MEIS") was appointed as adviser to the committee in respect of its work on executive remuneration. MEIS does not provide any other service to the Company and is regarded as independent by the committee. MEIS is engaged on an annual retainer at GBP8,000 and was appointed by the remuneration committee.

MEIS is regarded by the committee as providing independent advice, as MEIS has no connection with the directors and officers of the Company other than this engagement.

REMUNERATION REPORT continued

4. Our remuneration policy

Introduction

The remuneration report and the remuneration policy were put to shareholders on an advisory basis at the AGM on 11 May 2016 and the resolutions were passed by a majority of 98.58% and 99.13%, respectively. The remuneration policy and the directors' remuneration report as detailed in the annual report, will be subject to separate non-binding advisory votes at the AGM on 21 March 2017. The remuneration policy will be effective following the AGM until the next AGM in 2018.

The policy that was put to shareholders on 11 May 2016 was on an advisory basis and remains in force until the conclusion of the AGM in 2017. A copy of the policy is available on the Company's website.

There are no material changes proposed to the policy in 2017, however, as the policy was on a non-binding vote we will continue to put our policy to shareholders on an annual basis. The remuneration policy and the application of the policy in 2017 is detailed below.

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 relevant and stretching incentive arrangements for relevant employees that are based upon pre-agreed performance criteria against which individuals will then be tested;
- 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 maintain a meaningful shareholding in the Company.

REMUNERATION POLICY FOR EXECUTIVE DIRECTORS

ELEMENT	DETAILS	FOR 2016	FOR 2017
Base pay Objective Base pay to be set competitively so as to allow the motivation and retention of key executives of the calibre and skills necessary to support Centamin's short and long term objectives.	Pay is reviewed annually and any change ordinarily takes effect from 1 January. Salaries are benchmarked against a number of comparator groups as described below to provide a balanced approach. Increases will take account of those of the general workforce. Increases will take account of the performance of the individual and the benchmarked data but any increase which exceeds that of the general workforce may only normally be awarded in cases of a change in responsibility, complexity and nature of the role or size of the organisation or when the pay level becomes out of line with the market data.	The base salary for 2016 was as follows: **Josef El-Raghy** GBP515,000; and **Andrew Pardey** GBP460,000 (from 1 April 2016).	There is no intended change in the policy for 2017. A 3% increase has been awarded for Josef El-Raghy and a 7% increase for Andrew Pardey effective from 1 January 2017. **Josef El-Raghy** Increase of 3%. New base salary GBP530,450. **Andrew Pardey** Increase of 7%. New base salary GBP492,200.
Benefits Objective Benefits may be provided where necessary to ensure competitive remuneration packages are consistent with the market.	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. 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 (to include tax paid on the benefits). Therefore normal benefits and additional benefits will not currently exceed 15% of base pay (to include tax paid on the benefits).	A proportion of benefits was utilised in 2016.	Benefits to remain within the policy.

REMUNERATION POLICY FOR EXECUTIVE DIRECTORS continued

ELEMENT	DETAILS	FOR 2016	FOR 2017
Pension Objective Positioned to ensure competitive packages and provision of appropriate income for executives in retirement.	A payment in lieu of pension will be made which is up to 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. No director has a prospective entitlement to a defined benefit pension by reason of qualifying services.	Josef El-Raghy receives a cash payment in lieu of a pension equivalent to 20% of his base salary. Andrew Pardey does not currently receive a pension or a cash payment in lieu of a pension.	There is no intended change to the pension contribution for Josef El-Raghy. There is no current intention to award Andrew Pardey a pension, however this will be kept under review in 2017.
Annual bonus Objective To provide a driver and reward for the delivery of short term performance goals, normally over the course of the financial year.	Performance criteria, which are set at the beginning of each year, are based upon a balanced scorecard approach. The balanced scorecard shall be based 70% on financial, operational and strategic targets and 30% on individual key tasks. 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. 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 new RSP. The threshold is achieved at 25% of the maximum opportunity and the target is 62.5%. Full details of the criteria for awarding bonuses are set out on pages 95 to 97. 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.	Out of a maximum of 175%, actual outcome for Josef El-Raghy was 75%. Out of a maximum of 125%, actual outcome for Andrew Pardey was 77%.	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 RSP.
Long term incentives Objective To align the interests of the executives with those of shareholders through a meaningful ownership of shares.	The RSP was approved at the AGM in 2015. Executive directors and senior employees may participate in the scheme at the recommendation of the committee. The performance conditions of grants made under the new RSP and the terms of the RSP are set out in section 7. For management, but not directors, the Company has a deferred bonus share plan ("DBSP") 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 a third at the end of each 12, 24 and 36 month period.	690,000 awards were granted to Andrew Pardey in June 2016 under the terms of the RSP. 4,999,000 awards in total were granted in June 2016 to employees. 1.2 million shares were granted to employees under the DBSP in June 2016.	Awards under the terms of the RSP are to be made to Andrew Pardey in June 2017. The RSP is available to all executives (and senior management), however there are no current plans to make awards to Josef El-Raghy.

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REMUNERATION REPORT continued

4. Our remuneration policy continued

Introduction continued

REMUNERATION POLICY FOR EXECUTIVE DIRECTORS continued

ELEMENT	DETAILS	FOR 2016	FOR 2017
Share ownership requirement Objective To encourage ownership of shares thereby creating a link of interest between shareholders and the executives.	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. Personal holdings from vested shares are to be included in the calculation.	Josef El-Raghy (and family) hold an interest of 4.67% in the Company, which exceeds the requirements of the policy. Andrew Pardey holds 969,268 shares in the Company (excluding unvested awards under the DBSP and RSP) which exceeds the requirements of the policy based on the share price at 31 December 2016.	There are no changes to the policy.

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 in 2015.

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 it 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 buy-out 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 remuneration committee review all executive contracts and will determine the appropriate notice period, by considering the role and position. Notice periods would not ordinarily exceed twelve months.

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%.

The limits of 175% and 250% (as set out above) are the limits that cover all awards, be they standard or recruitment awards. Specifically the remuneration committee cannot make standard awards plus these awards, as the limits of 175% and 250% are the absolute limits.

To facilitate the buy-out awards outlined above the committee may grant awards to a new executive director under 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, 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. Directors' contractual terms and conditions, including notice periods, are reviewed by the remuneration and nomination committees.

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.

Where 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 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 the executive directors are 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 RSP, 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, all unvested awards and all vested but unreleased awards will lapse.

A malus claw back provision has been included in the RSP which relates to the dismissal of an eligible employee for gross misconduct, fraud or matters materially adversely affecting the group's reputation. If an award holder ceases to be an eligible employee under this provision, in the period after the award has vested, but before the settlement of the deferred shares, any subsisting rights in the award shall immediately lapse upon the date of such cessation.

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 will consider requests for executive directors to have non-executive external appointments, on the basis 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.

REMUNERATION REPORT continued

4. Our remuneration policy continued

Policy on external board appointments continued

REMUNERATION POLICY FOR NON-EXECUTIVE DIRECTORS

ELEMENT	DETAILS	FOR 2016	FOR 2017
Non-executive director fees Objective To attract and retain high calibre non-executive directors by the provision of competitive fees.	Non-executive directors receive annual fees within an aggregate directors' fee pool limited to an amount which is approved by shareholders. Fees are reviewed every two years against the same comparator groups as used for the executive directors. The fees payable to the deputy chairman and senior independent non-executive director ("SNED") were reduced in 2015 due to Josef El-Raghy resuming his sole role as chairman and assuming responsibility for all chairmanship duties. Non-executive directors do not participate in any incentive arrangements.	The following fees apply in 2016, with no change to the fee structure since 1 April 2013: • basic fee GBP65,000; • chair of a committee GBP10,000; and • member of a committee GBP5,000. The fees payable to the SNED reflect the enhanced role undertaken by Edward Haslam. The fee of GBP125,000 remains unchanged in 2016 and no further remuneration has been applied for additional committee membership during the year. The fees for the NEDs and SNED were reviewed in 2016 and the fees will remain as for 2016 in 2017.	There are no proposed changes to the fee structure in 2017. The fees for the other non-executives will next be reviewed in 2018. The fees payable to the SNED are subject to an annual review and there are no proposed changes to the fee structure in 2017.
Incentives Objective No incentives.	The non-executive directors do not participate in any short or long term incentive plans.		There is no intended change to the policy for 2017.

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.

The following graphs set out the remuneration structure for Josef El-Raghy and illustrates the minimum, to 50% of 175% at target, and 175% of base for the maximum. There are no long term incentive elements.

The following graphs set out the remuneration structure for Andrew Pardey and shows the minimum, 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 RSP of 150% of his base salary as the maximum and 75% of base salary at the target.

Please see the following section for details of the performance targets and bonus achievements.

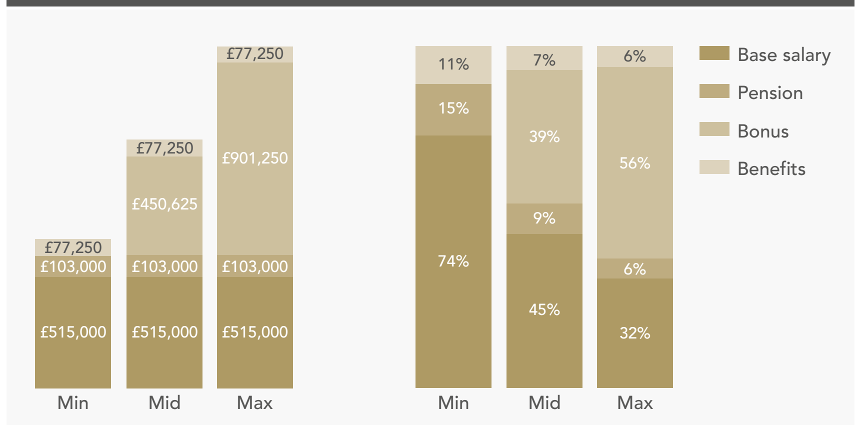
Feedback from shareholders, as well as proxy advisers (acting on behalf of many of our major shareholders) and meetings held with shareholders and investors are considered as part of the Company's annual remuneration policy review. Major shareholders are contacted should there be any proposed material changes to our remuneration policy.

Although the committee does not actively consult with employees on the remuneration policy, consideration is given to the base salary increase, relative performance of the Company and working conditions of the wider workforce. The main differences in determining executive and senior employee compensation compared to the wider workforce relates to the emphasis on rewarding long term performance, as well as performance at an operational, strategic and corporate level. Consideration is also given to the level of responsibility of executives and senior employees.

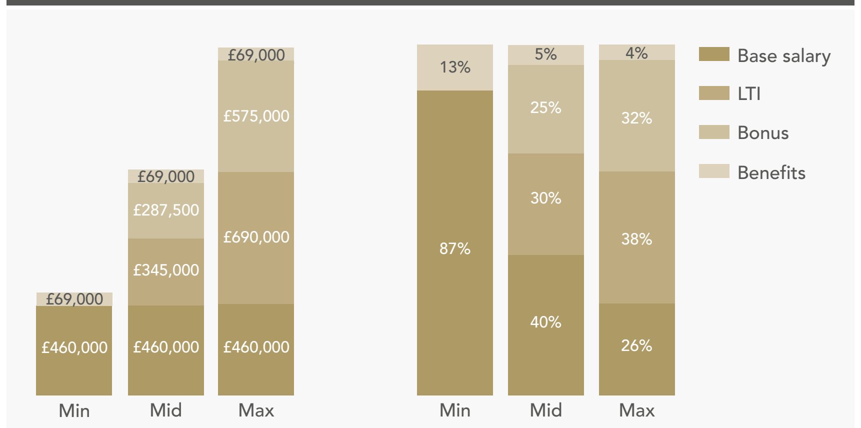
Implementation of policy

The Company intends to implement the remuneration policy for 2017 as detailed in this remuneration report.

PERFORMANCE TARGETS FOR JOSEF EL-RAGHY



PERFORMANCE TARGETS FOR ANDREW PARDEY



5. Annual remuneration report

Single figure table in US$ (audited)

What did the executive and non-executive directors earn in 2016?

Executives	Salary 2016	Salary 2015	Benefits 2016	Benefits 2015	Bonus 2016	Bonus 2015	LTI 2016	LTI 2015	Pension 2016	Pension 2015	Total 2016	Total 2015
Josef El-Raghy	**691,998**	763,372	**47,758**	38,347	**831,719**	907,945	**Nil**	Nil	**138,402**	152,674	**1,709,877**	1,862,338
Andrew Pardey	**607,475**	591,996	**62,511**	80,752	**535,906**	390,600	**Nil**	Nil	**Nil**	Nil	**1,205,892**	1,063,348
Total	**1,299,473**	1,355,368	**110,269**	119,099	**1,367,625**	1,298,545	**Nil**	Nil	**138,402**	152,674	**2,915,769**	2,925,686

Non-Executives	Fees 2016	Fees 2015	Benefits 2016	Benefits 2015	Bonus 2016	Bonus 2015	LTI 2016	LTI 2015	Pension 2016	Pension 2015	Total 2016	Total 2015
Edward Haslam	**165,661**	208,289	—	—	—	—	—	—	—	—	**165,661**	208,289
Mark Bankes	**112,649**	128,651	—	—	—	—	—	—	—	—	**112,649**	128,651
Mark Arnesen	**112,649**	120,223	—	—	—	—	—	—	—	8,429	**112,649**	128,651
Trevor Schultz	**100,934**	113,516	—	—	—	—	—	—	—	—	**100,934**	113,516
Kevin Tomlinson	**38,887**	113,516	—	—	—	—	—	—	—	—	**38,887**	113,516
Total	**530,780**	684,195	—	—	—	—	—	—	—	8,429	**530,780**	692,623

Notes to table:

- Josef El-Raghy and Andrew Pardey are paid in sterling.
- There have been no vesting events in respect to the RSP during 2015 or 2016 and a value cannot be attributed to the performance conditions, as they will be evaluated based on the Company's results in 2017. Therefore the LTI for Andrew Pardey is reflected as nil. Details of the grants made to Andrew Pardey under the terms of the RSP can be found on page 99.
- The pension payable to Josef El-Raghy represents a cash payment in lieu of contributions to a pension scheme.
- Superannuation contributions were paid by the Company in 2015 in respect to Mark Arnesen and this is included in the 2015 pension column.
- Directors' remuneration paid in foreign currency was converted at an average rate during the year. The average GBP:US$ exchange rate for 2016 was 1.3437. Bonus accruals for 2016 applied an exchange rate of GBP:US$1.23.
- Kevin Tomlinson resigned as a non-executive director on 16 May 2016.

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5. Annual remuneration report continued

Non-executive director fees (audited)

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 2016	As at 31 December 2015
Annual base fee	**GBP65,000 (US$79,980)**	GBP65,000 (US$96,353)
Chairman of a board committee	**GBP10,000 (US$12,305)**	GBP10,000 (US$14,824)
Member of a board committee	**GBP5,000 (US$6,152)**	GBP5,000 (US$7,412)
Deputy chairman and senior independent director	**GBP125,000 (US$153,808)**	GBP125,000 (US$185,295)

Notes to table:
- As the Company has an executive chairman, Edward Haslam undertakes an enhanced role as deputy chairman and senior non-executive chairman. These duties are reflected in this fee. The fee remains unchanged in 2016 and no further remuneration has been applied for additional committee membership.
- These amounts include any statutory superannuation payments where applicable.
- The Company reviewed the non-executive director fees during 2016 and no increases were proposed.
- 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: i) general pay levels and pay increases throughout the Company; ii) the performance and skills of the individual; and iii) 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 workforce may only normally be awarded as a result of change in responsibility or change in the complexity and nature of the role or the size of the organisation or the pay level becoming out of line with market data. Pay is reviewed annually and any changes ordinarily take effect from 1 January.

Base salary for Josef El-Raghy, which is paid in sterling, at GBP515,000 for 2016 will rise by 3% effective from 1 January 2017, in line with the cost of living increase.

Base salary for Andrew Pardey, which is paid in sterling, at GBP460,000 will rise by 7% effective from 1 January 2017, to align the CEO's base salary closer to the market median, in accordance with the Company's remuneration policy approved by shareholders in May 2016.

2016 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 between 70% business and 30% individual targets as follows:

- 70% – the business targets are based on:
  - 20% – financial (profitability/financial position, total cost against budgeted total cost);
  - 20% – operational (meeting production guidance, CSR development and implementation of the operational objectives);
  - 20% – strategic measures (M&A opportunities, strategic management and formalisation of the business strategy);
  - 10% corporate (maintaining sound corporate governance and structure, maintaining shareholder relations, board leadership and effective management of the board).
- 30% – the individual tasks are based on executive development and succession planning, communications of business strategy, and in-country stakeholder management and shareholder relations.

For Andrew Pardey, the bonus is split between 70% business and 30% individual targets as follows:

- 70% – the business targets are based on:
  - 25% – financial (profitability/financial position, cost against budget and operational efficiency);
  - 25% – operational (meeting production guidance, health safety and environment, CSR development, open pit and underground mining, resource and reserve growth);
  - 10% strategic measures (exploitation success in Egypt and elsewhere, M&A opportunities including geographical diversification); and
  - 10% corporate (corporate governance improvements, shareholder relations and in-country stakeholder management).
- 30% – the individual tasks are based on building the management team, maintaining and improving standards of health and safety and environmental matters; and building the management team and senior staffing levels.

Background to remuneration decisions linked to the strategic priorities

Cash generation:
- 551,036 ounces produced (re-guided upwards during the year) representing a 26% increase on 2015;
- 2016 production at US$513/oz cash cost of production and US$694/oz AISC;
- further production upside/lower cash costs at Sukari for no material capex; and
- US$400 million in cash at 31 December 2016.

Shareholder returns:
- dividend returns, with free cash flow to fund the next stage of growth;
- no debt, no hedging and Sukari capex complete; and
- share price performance relative to peers.

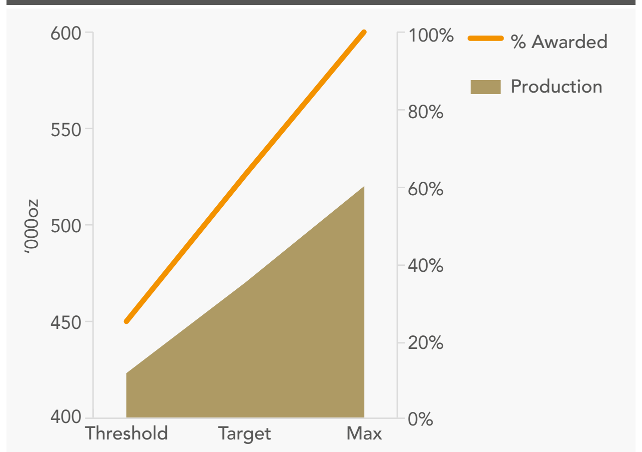
Growth:
- exploration/development to be funded from cash reserves after dividend;
- significant Sukari reserve expansion potential, especially via high grades from the underground operation;
- exploration at Sukari to include developing the Cleopatra decline; and
- advanced exploration in Burkina Faso and highly prospective tenements in Côte d'Ivoire.

Social responsibility:
- LTIFR rates at Sukari remained at low levels during 2016 of 0.27 per 200,000 working hours;
- training and staff development;
- community projects; and
- government relations.

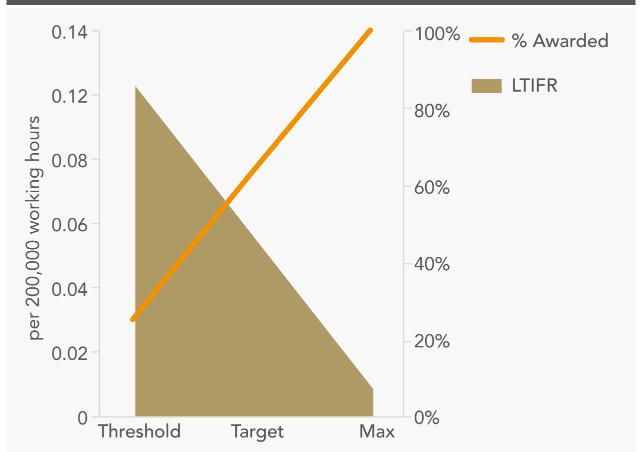
As set out in the risk matrix, the Company is exposed to the daily fluctuations in the price of gold, receiving the market rates on the day of sale. Consequently, revenue cannot be directly linked with the performance of the executive, and therefore the remuneration committee uses other metrics to measure the success of the executive directors, which are illustrated in the following graphs and reflected in the remuneration tables below.

Performance targets for 2016

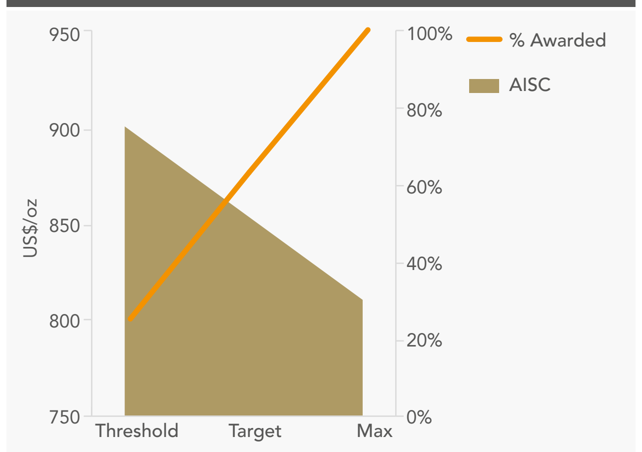
PRODUCTION



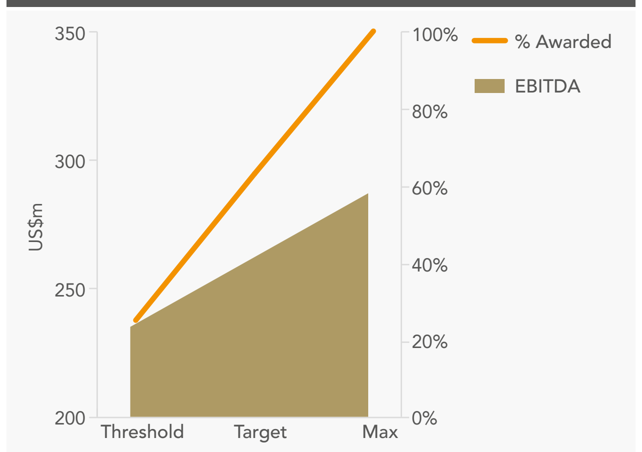
LTIFR



AISC



EBITDA



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5. Annual remuneration report in US$ continued

2016 – bonus achieved for Josef El-Raghy (audited)

	Performance measure	Target	Maximum	Awarded	Achieved of the maximum bonus opportunity
Business targets	Financial (see breakdown below)	20%	35%	100%	20%
	Operational (see breakdown below)	20%	35%	75%	15%
	Strategic	20%	35%	50%	10%
	Corporate	10%	17.5%	100%	10%
Individual targets	Individual KPI	30%	52.5%	67%	20%
	Total	**100%**	**175%**		**75%**

Performance targets achieved for the financial and operational performance measures:

Category	Performance measure	% of bonus opportunity	Threshold	Maximum	Actual	Awarded	Achieved of the maximum bonus opportunity
Financial (20%)	EBITDA ($m)	10%	235	287	373	100%	10%
	All-in sustaining cost ($ per ounce)	10%	900	810	694	100%	10%
Operational (20%)	Production ('000 ounces)	15%	423	517	551	100%	15%
	LTIFR	5%	0.12	0.01	0.27	0%	0%

Notes to table:
- Threshold achievement represents 25% of the bonus opportunity for the respective performance measure.
- Maximum achievement represents 100% of the bonus opportunity for the respective performance measure.

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. These included the following:

Josef El-Raghy

ACHIEVED

Strategic
- Maintaining the dividend payout in accordance with the policy.
- Exceeding the operational and financial metrics.
- Resource/reserve replacement and expansion at Sukari, with a focus on the high-grade underground.
- Exploration programme over licence areas in Burkina Faso and Côte d'Ivoire.

Corporate
- Corporate governance improvements – engagement programme with shareholders.
- Continued hand over of roles and responsibilities to the CEO.
- Maintain sound corporate governance and structure, board leadership and effective management of the board, executive development and succession planning.

Individual KPIs
- Presenting at key seminars and investor conferences throughout the year.
- M&A opportunities reviewed and assessed.
- Maintaining good relations with the authorities in Egypt and administration of the Concession Agreement.
- Building relations with the authorities in Burkina Faso and Côte d'Ivoire.
- Formalisation and communications of business strategy.
- In-country stakeholder management and shareholder relations.

On this basis, the committee determined that 75% of the maximum bonus of 175% of Josef El-Raghy's 2016 base salary had been achieved. This resulted in a payment of GBP675,938 (US$831,719).

2016 – bonus achieved for Andrew Pardey (audited)

	Performance measure	Target	Maximum	Awarded	Achieved of the maximum bonus opportunity
Business targets	Financial (see breakdown below)	25%	31%	100%	25%
	Operational (see breakdown below)	25%	31%	80%	20%
	Strategic	10%	12.5%	100%	10%
	Corporate	10%	12.5%	60%	6%
Individual targets	Individual KPI	30%	37.5%	53%	16%
	Total	**100%**	**125%**		**77%**

Performance targets achieved for the financial and operational performance measures:

Category	Performance measure	% of bonus opportunity	Threshold	Maximum	Actual	Awarded	Achieved of the maximum bonus opportunity
Financial (25%)	EBITDA ($m)	15%	235	287	373	100%	15%
	All-in sustaining cost ($ per ounce)	10%	900	810	694	100%	10%
Operational (25%)	Production ('000 ounces)	20%	423	517	551	100%	20%
	LTIFR	5%	0.12	0.01	0.27	0%	0%

Notes to table:
- Threshold achievement represents 25% of the bonus opportunity for the respective performance measure.
- Maximum achievement represents 100% of the bonus opportunity for the respective performance measure.

In reviewing performance against the criteria and in arriving at the decision, the committee considered the key milestones achieved during the year which Andrew Pardey was instrumental in delivering. These included the following:

Andrew Pardey

ACHIEVED

Strategic
- Exceeding the operational and financial metrics.
- Development of Cleopatra.
- Further optimisation of the process plant (throughput rates).
- Sukari reserve expansion potential, especially via high grades from the underground.
- Exploration programme over licence areas in Burkina Faso.
- Exploration programme over licence areas in Côte d'Ivoire.

Corporate
- Health and safety – safety record of 0.27 LTIFR in 2016.
- Maintaining low LTI rates and aiming for a zero-harm safety record throughout the group's operations.
- Labour productivity has improved with Sukari expansion.

Individual KPIs
- Management of team and senior staffing levels.
- Moving forward key objectives as CEO.

On this basis, the committee determined that 77% of the maximum bonus of 125% of Andrew Pardey's 2016 base salary had been achieved. This resulted in a payment of GBP435,531 (US$535,906) for 2016.

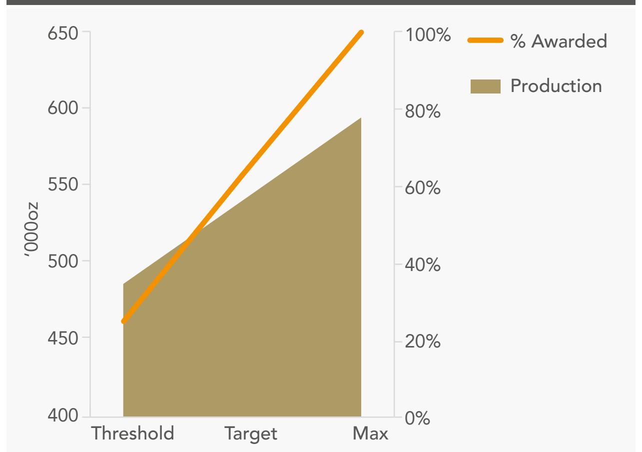
REMUNERATION REPORT continued

5. Annual remuneration report in US$ continued

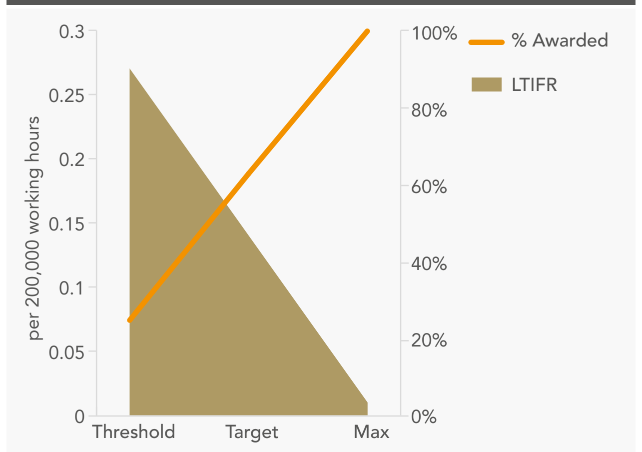
The objectives for 2017 are set against the balanced scorecard. For both executive directors, the performance will be measured against a combination of EBITDA and AISC (financial targets) and production and LTIFR (operational targets) as illustrated below, together with strategic, corporate and individual KPIs:

Performance targets for 2017

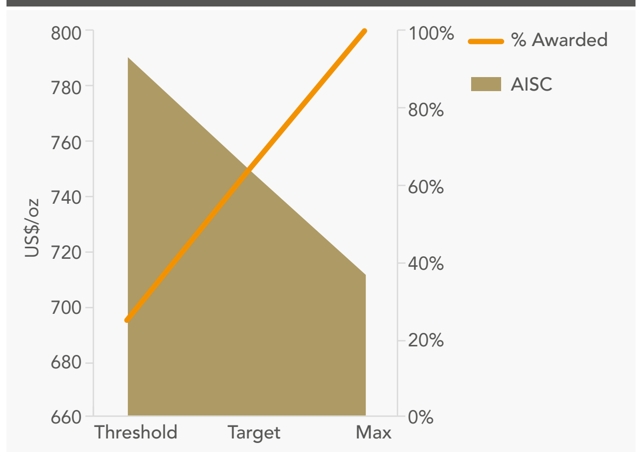
PRODUCTION



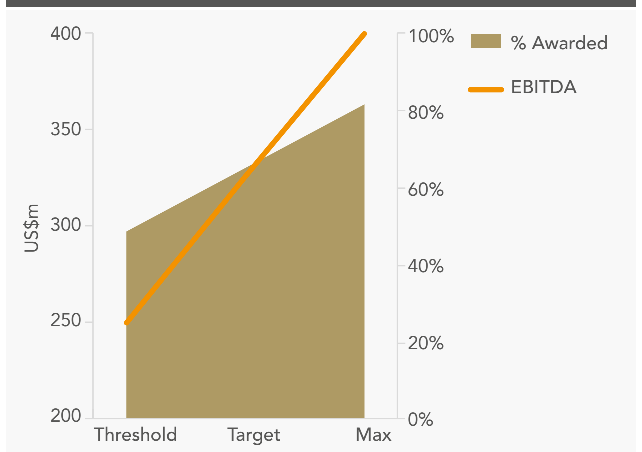
LTIFR



AISC



EBITDA



2017 bonus

For Josef El-Raghy the bonus for 2017 is based upon the balanced scorecard approach, as follows:

- 70% – the business targets are based on:
  - 40% – financial and operational (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 the management team and motivation, formalisation and communication of business strategy, in-country stakeholder management and shareholder relations.

For Andrew Pardey the bonus for 2017 will be based upon the balanced scorecard approach, as follows:

- 70% – the business targets are based on:
  - 25% – financial (profitability/financial position, cost against budget and operational efficiency);
  - 25% – operational (meeting production guidance, health safety and environment, CSR development, open pit and underground mining, resource and reserve growth);
  - 10% strategic measures (exploitation success in Egypt and elsewhere, M&A opportunities including geographical diversification); and
  - 10% corporate (corporate governance improvements, senior staff development, shareholder relations, in-country stakeholder management).
- 30% – the individual tasks are based on building the management team and taking on the new responsibilities as CEO).

Performance targets for the financial and operational performance measures for 2017 are as follows:

	Performance measure	% of bonus opportunity for Josef El-Raghy	% of bonus opportunity for Andrew Pardey	Threshold	Maximum
Financial	EBITDA ($m)	10%	15%	297	363
	All-in sustaining cost ($ per ounce)	10%	10%	790	711
Operational	Production ('000 ounces)	15%	20%	486	594
	LTIFR	5%	5%	0.27	0.01
Strategic	Balanced scorecard	20%	10%		
Corporate	Balanced scorecard	10%	10%		
Individual KPIs	Balanced scorecard	30%	30%		

Notes to table:
- Threshold achievement represents 25% of the bonus opportunity for the respective performance measure.
- Maximum achievement represents 100% of the bonus opportunity for the respective performance measure.
- The table does not represent a forecast, rather the targets are prepared internally for the purpose of incentivising and rewarding executives.

Pension arrangements (audited)

Josef El-Raghy is entitled to a payment in respect of pension entitlement equal to 20% of base pay. No other pensions or payments in lieu of pensions have been made by the Company to the directors.

Long term incentives – shares award table (audited)

Josef El-Raghy does not currently participate in any long term incentive arrangement. There is a deferred bonus share plan ("DBSP") for senior management and a shareholder approved restricted share plan ("RSP") for directors and senior management.

Andrew Pardey was granted 690,000 awards in 2016 under the new restricted share plan. Andrew has not received any new grants under the DBSP as he is not eligible to receive new grants as a director. The final tranche of the grants awarded under the DBSP prior to Andrew becoming a director will vest in June 2017. Vested awards received by Andrew Pardey in 2016 under the DBSP amounted to 553,333 shares. Under the terms of the DBSP, the participant receives vested shares by virtue of their continued employment with the Company on anniversary of the award over the three-year vesting period.

Award	Granted	Value of award at grant date in US$ (per share)[1]	Total vested	Total unvested	**Total vested in 2016**	Performance conditions
DBSP 11 October 2012	500,000	1.6265	500,000	—	—	Service conditions
DBSP 4 June 2013	1,260,000	0.5886	840,000	—	**420,000**	Service conditions
DBSP 4 June 2014	400,000	1.0526	133,334	133,333	**133,333**	Service conditions
DBSP TOTAL	**2,160,000**		**1,473,334**	**133,333**	**553,333**	
RSP 4 June 2015	900,000	Footnote 2	—	900,000	—	Performance conditions
RSP 4 June 2016	690,000	Footnote 3	—	690,000	—	Performance conditions

(1) The fair value of the DBSP was calculated using the closing share price on the grant date (converted from GBP:US$) and no other factors were taken into account in determining the fair value. See note 27 to the financial statements for details of the RSP valuation.
(2) The value of the award granted under the terms of the RSP on 4 June 2015 in US$ is 20% TSR: 0.7894; 50% EPS: 0.9994; 30% production: 0.9994.
(3) The value of the award granted under the terms of the RSP on 4 June 2016 in US$ is 20% TSR: 0.9107; 30% reserve growth: 20% EBITDA: 1.46 30% gold production: 1.46. See pages 104 and 105 for the performance conditions of the RSP.

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REMUNERATION REPORT continued

5. Annual remuneration report in US$ continued

Long term incentives – shares award table (audited) continued

SCHEME SUMMARY	
DBSP scheme[1] **Type:** deferred bonus share award. **Award:** discretionary bonus award. **Value:** see note 28 to the financial statements. **Performance period:** vesting in trances over three years from date of grant. **Performance measures:** service conditions.	**RSP award in June 2016** **Type:** restricted share plan. **Award:** based on 150% of salary. **Value:** see note 28 to the financial statements. **Performance period:** 31 December 2016 to 31 December 2019. **Vesting period:** June 2019 vesting period with a further two year holding period for 50% of the vested award. **Performance measures:** see note 28 to the financial statements.

(1) Grants under the DBSP were made to Andrew Pardey before he became a director.

Payment to past directors (audited)

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.

Service agreements for directors (audited)

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	8 May 2015.	8 May 2015.
Notice period	Twelve months' notice from either party.	Twelve 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.	Entitlement to 20% of base pay, subject to committee discretion.
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 RSP.	Eligible to participate in the new RSP.
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 months' 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 months' 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.

To encourage ownership of shares and thereby create a link of interest between shareholder and the executives, the remuneration policy requires executive directors to build a holding of shares in the Company equivalent to 150% of base salary over a five-year period from appointment. Vested shares awarded by the Company are included in the calculation.

The following table shows the current shareholding of each of the directors.

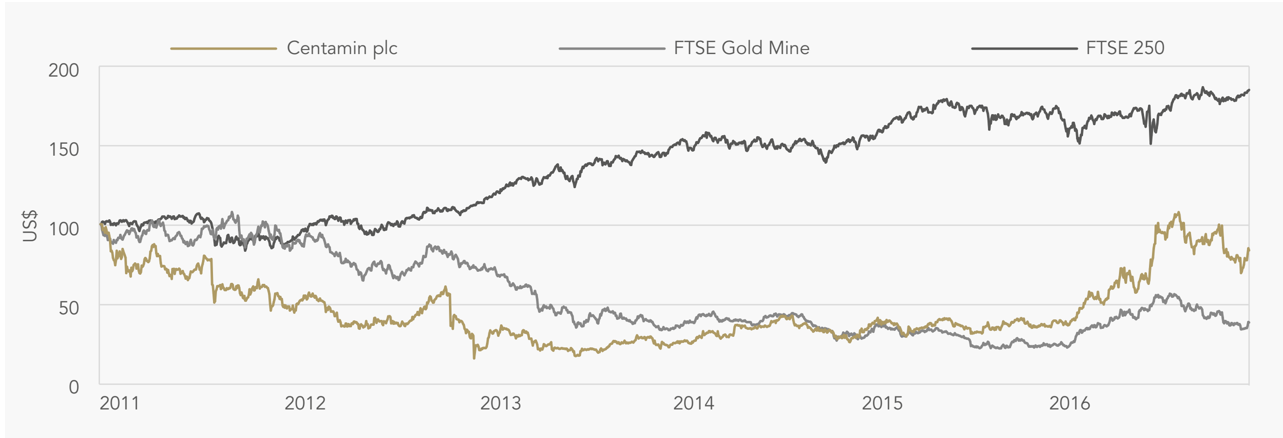
Name	As at 31 December 2016	Percentage of base salary/fees[3,4]
Executive directors[2]		
Josef El-Raghy	**53,849,372**	14,115%
Andrew Pardey	**969,268**[1]	284%
Non-executive directors[2]		
Edward Haslam	**102,056**	110%
Trevor Schultz	**30,000**	50%
Mark Bankes	**150,000**	238%
Mark Arnesen	**49,000**	77%

(1) Excludes unvested awards under the DBSP and RSP.
(2) No other executive directors or non-executive directors hold shares, share options or awards that are subject to performance measures.
(3) There have been no changes to directors' shareholdings from 31 December 2016 to the date of this report.
(4) The valuation of the shareholdings are based on the share price at 31 December 2016.

6. Comparative remuneration data (audited)

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 six years.



The remuneration committee considers that these indices are appropriate comparators of the Company. We have reflected details of the CEO pay from 2011, when Centamin plc was incorporated.

Chairman – Josef El-Raghy	Single figure remuneration	Annual bonus as % of maximum	Long term incentives
2011 (chairman/CEO)	US$1,290,742	65%	Nil
2012 (chairman/CEO)	US$1,920,644	80%	Nil
2013 (chairman/CEO)	US$2,020,562	75%	Nil
2014 (chairman/CEO)	US$2,073,192	80%	Nil
2015 (chairman)	US$1,862,338	70%	Nil
2016 (chairman)	**US$1,709,877**	**75%**	**Nil**

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REMUNERATION REPORT continued

6. Comparative remuneration data (audited) continued

Performance graph and CEO remuneration table continued

CEO – Andrew Pardey	Single figure remuneration	Annual bonus as % of maximum	Long term incentives
2015 (eleven months as CEO)	US$1,063,348	68%	RSP award 150% of base salary
2016	**US$1,205,892**	**77%**	**RSP award 150% of base salary**

The CEO pay from 2012 to 2014 reflects the total remuneration for Josef El-Raghy while he held the position of CEO and chairman. Andrew Pardey was appointed CEO from 1 February 2015.

Percentage change in remuneration (unaudited)

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

	Percentage change between 31 December 2015 and 31 December 2016
Comparator group (Centamin employee remuneration)(1)	-3%
Centamin's chief executive officer	13%

(1) Based on the average number of employees of the Centamin group in 2016: 1,490 (2015: 1,462 employees). See page 133 for details on the devaluation of EGP.

Relative spend on pay

The following table proves an illustration of the relative spend on pay to place the directors' pay in the context of the wider group finances.

	Percentage change between 31 December 2015 and 31 December 2016
Comparator group (Centamin employee remuneration)(1)	-3%
Remuneration of Centamin's executive directors	0%
Remuneration of Centamin's non-executive directors	-13%
Distributions to Centamin shareholders(2)	+36%

(1) Based on the average number of employees of the Centamin group in 2016: 1,490 (2015: 1,462 employees).
(2) The percentage change relates to distributions to shareholders based on the amount paid during 2015 and 2016.

Other than the paid and declared dividends during the year, there have been no other shareholder related returns of capital or share buy backs by the Company.

7. Long term incentive arrangements

Introduction

Centamin introduced a long term incentive scheme which was approved by shareholders at the AGM on 18 May 2015. The scheme was introduced to provide a suitable recruitment and retention tool for any new or promoted executives and incentivise executive directors and senior management. 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.

Summary of the restricted share plan ("RSP")

The RSP provides the right for the Company to grant awards to employees of the Company or any of its subsidiaries.

Eligibility	Awards may be granted under the RSP to all persons who at the date at which the award is granted under the RSP 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 RSP was adopted by the Company.
Granting of awards	Awards may be granted under the RSP at any point during the 28 day period following adoption of the RSP, the 42 day period following the announcement of the annual, quarterly or half-year 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. 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.
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 that the remuneration committee determine as being exceptional, that limit may be increased to 250% for a particular award.
Award price	Award holders are not required to make any payment to participate in the RSP and no price is payable by the award holders to enable shares to be transferred.
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 the 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.
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 RSP is not transferable. Awards will also lapse if an award holder is declared bankrupt or attempts to assign their award.
Status of shares	The shares acquired under the RSP will rank pari passu with the Company's issued ordinary shares.
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 RSP, the remuneration committee may adjust the awards in a manner that they deem to be fair and reasonable.
Amendments to the RSP and assumption of awards	The RSP 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 RSP 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, RSP 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 RSP. Minor amendments to benefit the administration of the RSP, 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.
Malus claw back provision	This clause has been included so that an award holder who ceases to be an eligible employee for cause (see definition below) in the period after the award has vested but before the settlement of the deferred shares (i.e. during the two-year holding period) shall immediately forfeit his/her rights in the award from the date of cessation. Cause is defined as "ceasing to be an eligible employee by reason of dismissal for gross misconduct, fraud or materially adversely affecting the group's reputation".

Following the adoption of the restricted share plan, the Company has granted the following awards:

June 2015

5,145,000 conditional awards to employees of the group (of which 900,000 awards were made to Andrew Pardey, CEO).

June 2016

4,999,000 conditional awards to employees of the group (of which 690,000 awards were made to Andrew Pardey, CEO).

In total, 35 employees participate in the RSP, including heads of department and senior personnel based onsite, as well as members of the senior management team located at the head office.

REMUNERATION REPORT continued

7. Long term incentive arrangements continued

Summary of the restricted share plan ("RSP") continued

The awards to be granted in June 2017 will vest in June 2020 (with 50% of the vested shares deferred for a further two years) and will be subject to satisfaction of the performance conditions over the three-year financial period ended 31 December 2019:

- **TSR:** 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 (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, IAMGOLD Resources Inc, Petropavlovsk, Randgold Resources, Yamana Gold, Inc, Acacia Mining plc, Alacer Gold, B2 Gold Corp and Endeavour Mining;
- **mineral reserves:** 30% of the award shall be assessed by reference to mineral reserve replacement and growth. Reserve replacement is calculated based on the cumulative reserve estimates (from June 2016 to the most recent reserve estimate prior to vesting) compared with the cumulative reserves mined from 31 December 2016 to 31 December 2019. All 30% of the award will vest if the ratio is 100%. 25% of the award tranche will vest if the ratio is at least 75% (i.e. 7.5% of the award);
- **EBITDA:** 20% of the award shall be assessed by reference to compound growth in EBIDTA over the three-year period to December 2019. If a compound annual growth rate of 3.5% of EBITDA is achieved by 2019, all 20% of the award tranche shall vest. If EBIDTA in 2019 is maintained at the levels achieved in 2016, 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 performance criteria will be assessed based on the financial year ended 31 December 2019; and
- **gold production:** 30% of the award shall be assessed by reference to compound growth in gold production over the three-year period to December 2019. If a compound annual growth rate of 3.5% of gold production is achieved by 2019, all 30% of the award tranche shall vest. If gold production in 2019 is maintained at the levels achieved in 2016, 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.

As Sukari reaches optimum production rates, the relative year-on-year rate of growth slows. Maintaining production rates at this optimum level still represents an award, with an appropriate incentive to further improve production rates through efficiency and optimization.

The awards granted on 4 June 2016 will vest on 4 June 2019 (with 50% of the vested shares deferred for a further two years) and will be subject to satisfaction of the performance conditions over the three-year financial period ended 31 December 2018:

- **TSR:** 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, IAMGOLD Resources Inc, Petropavlovsk, Randgold Resources, Yamana Gold, Inc, Acacia Mining plc, Alacer Gold, B2 Gold Corp and Endeavour Mining;
- **mineral reserves:** 30% of the award shall be assessed by reference to mineral reserve replacement and growth. Reserve replacement is calculated based on the cumulative reserve estimates (from June 2015 to the most recent reserve estimate prior to vesting) compared with the cumulative reserves mined from 31 December 2015 to 31 December 2018. All 30% of the award will vest if the ratio is 105%. 25% of the award tranche will vest if the ratio is at least 75% (i.e. 7.5% of the award);
- **EBITDA:** 20% of the award shall be assessed by reference to compound growth in EBIDTA over the three-year period to December 2018. If a compound annual growth rate of 9% of EBITDA is achieved, all 20% of the award tranche shall vest. If a compound annual growth rate of 5% of EBITDA is achieved 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; and
- **gold production:** 30% of the award shall be assessed by reference to compound growth in gold production over the three-year period to December 2018. If a compound annual growth rate of 8% of gold production is achieved, all 30% of the award tranche shall vest. If a compound annual growth rate of 4% 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 awards granted on 4 June 2015 will vest on 4 June 2018 (with 50% of the vested shares deferred for a further two years) and will be subject to satisfaction of the performance conditions over the three-year financial period ended 31 December 2017:

- 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, IAMGOLD 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") over the three-year period to December 2017. 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 over the three-year period to December 2017. 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.

Deferred bonus scheme (not for directors)

This plan, introduced in 2012, allowing 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 participants of existing plans the opportunity to replace awards with an initial one-off award under the deferred bonus share plan. In June 2014, the participants who met the vesting criteria received their first tranche, representing one-third of the original award. Additional grants were awarded in June 2014 and June 2016 to new and existing participants which also vest in thirds over three years. The plan is not open to directors of the Company and any shares used for the plan are not newly issued shares.

The DBSP, now in its fifth year, provides a simple yet effective incentive to senior management and senior employees below board level, motivating and retaining individuals over the longer term. 26 employees remain in the scheme, including heads of department and senior personnel based onsite, as well as members of the senior management team located at the head office.

At the AGM of the Company on 11 May 2016 the following votes for and against the adoption of the remuneration report were as follows:

	For	Against	Withheld
Approval of the remuneration report	806,745,332 (98.58%)	11,641,708 (1.42%)	12,406,078
Approval of the remuneration policy	811,706,430 (99.13%)	7,155,779 (0.87%)	11,930,910

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

Edward Haslam
Chairman of the remuneration committee

1 February 2017

AUDIT AND RISK REPORT

> The committee was encouraged by the work carried out in 2016 by management to improve the control environment through upgrades in IT systems and streamlining policies and procedures.

Mark Arnesen
Audit and risk committee chairman

Dear shareholders

This report provides a summary of the activities undertaken by our independent audit and risk committee during 2016. The report looks at the involvement of the committee in respect of the work carried out by the external auditor, the appointment and scope of the internal audit function and the development of the control environment in compliance with the 2014 Corporate Governance Code (the "Code").

Audit committee composition and effectiveness

The audit and risk committee has three independent non-executive directors, Mark Bankes, Edward Haslam and me as chairman. Biographies of the members of the committee can be found on pages 72 and 73. All committee members attended all eight scheduled meetings during 2016.

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 meetings are regularly attended, by invitation, by the chairman, CEO and CFO along with the company secretary and general counsel. PwC is also invited to attend relevant committee meetings. Separate discussions outside of formal committee meetings are regularly held between the external audit partner, the committee chairman and the CFO.

In addition to the scheduled quarterly meetings, the committee also meet, by way of conference calls, at least once a quarter to review the draft quarterly and annual financial statements.

A summary of the committee's responsibilities and activities carried out during 2016 are set out below:

TOPICS	COMMITTEE RESPONSIBILITIES
External auditor	Approval of the external audit plan and assess the effectiveness of the external auditor.
Internal audit	Approval of the scope of the internal audit function and review of work carried out in 2016.
New appointment	Ensuring an effective hand over of responsibility to the newly appointed CFO.
Financial reporting	Making recommendations to the board for the approval to the quarterly, half-year and annual results.
Reporting timeframes	Review of the accelerated timetable for the production of the annual report and financial statements which were supported by improvements in monthly financial reporting and quarterly and half-yearly results.
Risk reporting	Review and monitoring of the risk management processes including periodic reviews of the corporate, strategic and operational risks.
Internal controls	Review of the internal control environment, to include controls over financial reporting, budgeting and reporting obligations.
Accounting for transactions	Review of the cost recovery model together with the timing and mechanism for profit sharing.
Dividends	Ensure the dividend proposals are in-line with the group policy and making recommendations to the board.
General	Oversight for the preparation of major subsidiary accounts, the repatriation of funds through the corporate structure, the treasury policy and the re-organisation of the West African holding structure.

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. The committee considered the results and noted that there were no proposed changes to the composition. The board also conducted an evaluation of the committee, its composition, experience and activities during the year and there were no proposed changes to the composition of the committee.

The committee considered the action plan for 2017 which included (but not limited to) the following areas:

- a review of the scope of the internal audit function to ensure the tasks are aligned with the business needs;
- the support and development of the risk reporting to assist further defining the Company's risk appetite; and
- assisting the dissemination of key messages about the Company's culture, attitude to risk and risk tolerances throughout the organisation (see risk management report in the strategic report for more details).

AUDIT AND RISK REPORT continued

Significant issues highlighted during the year by the committee

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

TOPIC	SIGNIFICANT ISSUE	SUMMARY OF THE SIGNIFICANT ISSUE	KEY ACTION POINTS
Cost recovery and profit share	Accounting treatment	A full analysis has been performed by management on the cost recovery model ("CRM"), the timing and mechanism for profit share. The committee reviewed the approach taken in reconciling the CRM, the requirements under the concession agreement and the correspondence with government (EMRA) on the timing, payment process and allocation between the parties.	**Committee actions** • Approval of CRM. • Agreement on timing and mechanism of profit sharing going forward in compliance with the CA. • Agreement to residual cost recovery payments eligible for recovery in accordance with the concession agreement. **Management actions** • Profit share payments to EMRA and repayment of advance distributions commenced in October 2016. • Accounting for profit sharing and residual cost recovery payments.
Valuation of stores and consumables inventory	Accounting for transactions	Inventory is required to be carried at the lower of cost or net realisable value. For inventory of this nature, a write down to net realisable value will generally occur when the inventory is damaged or obsolete. The committee considered management's proposals in respect to the valuation of inventory. The committee agreed with management that there was no requirement for a write off if inventory, however, in respect of inventory obsolescence, a provision of US$2.5 million had been applied.	**Committee actions** • Review of management accounting papers. • Monitoring the cost and timing of the planned system improvements. **Management actions** • A review of inventory holding periods, identification of slow moving and obsolete stock was implemented by management during the year. • Inventory software systems were upgraded in 2016 to help further identify and categorise stock.

Impairment of assets (other than financial assets)	Accounting for transactions	Management has 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 the assessment as to the possibility of whether impairment losses have arisen, the committee reviewed:
		• exploration and evaluation assets and activity for indicators of impairment;
		• management's assessment of the factors in IFRS 6 and IAS 36 as they apply to E&E assets for Sukari, Burkina Faso and Côte d'Ivoire.
			Committee actions
			• The committee reviewed the papers presented by management in respect to IAS 6 and IAS 36 and were in agreement with the conclusions set out above.
			Management actions
			• Preparation of the impairment review for presentation to the committee, to include the key assumptions such as:
			  • forecast gold prices;
			  • discount rates;
			  • production volumes;
			  • reserves and resources report; and
			  • costs and recovery rates.

Accounting basis of preparation	Going concern	The directors performed an assessment of the entity's ability to continue as a going concern at the end of each reporting period. The period of the assessment covered at least twelve months from date of signing the financial statements. In addition to the twelve month going concern consideration the directors assessed the Company's prospects over the longer term, specifically addressing a period of five years as part of the overall viability statement. Details of the viability statement and review assessment can be found in the strategic report on page 31. 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 considered it appropriate to prepare the financial statements on the going concern basis. Key assumptions underpinning this forecast include: • litigation as discussed in note 21 to the financial statements; • forecast gold price; • production volumes; and • costs and recovery rates. These financial statements for the year ended 31 December 2016 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.	

TOPIC	SIGNIFICANT ISSUE	SUMMARY OF THE SIGNIFICANT ISSUE	KEY ACTION POINTS
Dividend policy	Company policy	Due to the strong financial position of the Company and the ongoing cash flow generation from the Sukari Gold Mine, the committee and the board considered the Company's dividend policy and full year dividend proposals. The board approved an update to the Company's dividend policy whereby the board will aim to approve an annual dividend of at least 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.	**Committee actions** • The committee reviewed the papers presented by management and recommended to the board the review and approval of the proposed interim and final dividend proposals. **Management actions** • Preparation of the dividend proposal papers and associated cash flow projections and forecasts.

Fair, balanced and understandable

The committee was satisfied that the controls over the accuracy and consistency of the information in the 2016 annual report were sufficiently robust. The committee reviews the control environment and is in receipt of monthly, quarterly and annual financial and budgetary information. The committee is also involved in the review of all key accounting policies and matters requiring judgment and estimation.

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 report (including the business model), the performance review and governance reporting throughout the report (including the directors' report). The assessment of each component by the committee can be summarised as follows:

- is the annual report fair and balanced?
  - have the group's activities been presented fairly in all respects?
  - does the narrative reporting fairly represent financial results?
  - have we disclosed key indicators of performance?
  - have we applied the appropriate emphasis on the material matters?
  - do the chairman and CEO reports reflect the full story?

The committee considered these questions (and more) and as an example, the committee considered the reporting of both the positive and less favourable outcomes this year. For example, the increase in ounces of gold produced during the year were sufficiently weighted against longer term growth expectations, as Sukari's production is optimised. In addition, the expectations around the exploration projects in Burkina Faso and Côte d'Ivoire were balanced against the expected time horizon for advanced exploration projects to reach production.

- is the annual report clear and understandable?
  - do we clearly show our business model and strategy to the reasonably informed reader of the report?
  - have we identified the key metrics and explained the significance of these results?
  - have we reflected the link between our strategy, performance and financials?
  - are our risk and governance presented clearly?

The committee recommended that the key strategic priorities be integrated throughout the report to help investors understand the linkages between risk, strategy and performance. In addition, consideration was given to include narrative in the front half of the report to ensure the key items drawn from the financial statements were appropriately addressed in both the strategic and directors' reports.

A further review of the report was carried out to remove repetition (where possible) to further streamline the report.

The committee concluded that the annual report was 'fair', 'balanced' and 'understandable' having considered the activity of the Company during the period and that users of the report would be able to understand our position, strategy, business model and overall performance which were presented consistently throughout the annual report.

External auditor

During 2016, the Company's external auditor, PricewaterhouseCoopers LLP ("PwC") attended committee meetings to present its detailed audit plan and final audit review and recommendations. The committee agreed with the audit approach at the planning stage and agreed with the materiality thresholds and key audit risk areas identified by PwC.

During the year the Financial Reporting Council's Audit Quality Review Team ("FRC Review Team") carried out a review of the external audit file for the annual report 2015. There was one minor recommendation and the review by the FRC Review Team has now been closed.

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AUDIT AND RISK REPORT continued

External auditor continued

External auditor effectiveness

The group has an established control environment which ensures regular reporting by its operating mine and exploration projects through to the Company's headquarters in Jersey. Progress was made in 2016 to improve our stock handling and inventory systems onsite, to help improve our reporting and inventory management.

The committee undertakes a review of the effectiveness of the external auditor at the half-year review and annual statutory audit. This review compares the original audit plan against the delivery of the audit. The committee also reviews the process, taking account of the views of the senior members of the finance team and the CFO. A detailed questionnaire is completed by the audit committee to help with the evaluation process. Following the evaluation process, key findings are relayed to the audit partner and where applicable an action plan and control sheet is set up to ensure recommendations are addressed.

There has been open communication between the committee and the audit partner throughout the statutory audit and management has also worked directly with the audit team. PwC has also had open access to the board of directors.

The audit team visited Sukari regularly to carry out inventory, controls and substantive testing. PwC also visited our legal advisers in Cairo and carried out audit work at our administrative offices in Egypt and Jersey.

Having carried out the evaluation, the committee is satisfied that the audit engagement for the financial year ended 2016 was both effective and added value to the group.

Non-audit fees

There was no significant 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$626k, there were non-audit services carried out by PwC during the year of US$15k. Full details are set out in note 23 to the financial statements. Our policy on non-audit services and auditor independence can be found on our website.

Audit rotation

There has been no rotation of audit partner since PwC's appointment in 2014, allowing for a further two years before rotation is required. The Company's policy is to tender the external audit every ten years.

Auditor objectivity and independence

The committee continues to monitor the auditor's objectivity and independence and are satisfied that PwC and the group have appropriate policies and procedures in place to ensure that these requirements are not compromised.

Appointment of the internal auditor

BDO LLP, the group's externally appointed internal auditor, carried out a detailed review of the IT systems throughout the group, focusing in detail on the IT environment. The audit team spent time in Egypt to evaluate the IT infrastructure and compile their report.

BDO LLP provided a list of recommendations to the committee which included proposals to enhance the IT environment and make better use of the existing infrastructure and the system in place. The action plan and progress updates, following the initial internal audit review, will be monitored by the committee throughout 2017.

IT STRATEGY	IT INFRASTRUCTURE	IT SECURITY
IT development and resource consideration	Enterprise architecture planning	IT security policies
	Availability, capacity, and performance forecasting	Logical security
	IT asset management	Administrators
		Remote access
		Application access controls
		Physical security
		Mobile devices
		Data back-ups

The scope of work for 2017, which was developed after consultation with the management team, the committee and BDO LLP, will develop the initial IT review and put in place an action plan to include penetration testing, which will help identify any weaknesses in cyber security.

2017 AUDIT PLANNING	
Follow-up audit	BDO LLP will carry out follow-up work on the reports prepared in 2015 which related to: • core financial controls; and • risk management.
Tendering and procurement, contract management, payments audit	BDO LLP will undertake a review of tendering, contract management and payments, with the primary focus being at SGM. The scope will cover: • tendering and procurement (focus on large contracts commenting on the design of, and adherence to, the overall process); • contract management procedures; • testing of contract payments (focus on accuracy and pricing); and • cash management (insofar as payments are concerned).
IT penetration testing	BDO LLP will undertake penetration testing in order to provide assurance over the security of Centamin's IT systems. This will cover: • search for network vulnerabilities; • search for web infrastructure vulnerabilities; • attempt to penetrate systems using vulnerabilities; and • follow-up testing to confirm fixes to issues identified.
Key financial processes	A review of controls within specified key financial processes including: • financial close processes; and • gold book and sales cycle controls.

The committee will also monitor the auditor's progress this year and ensure they have access to the required resources and information to complete their scope in 2017.

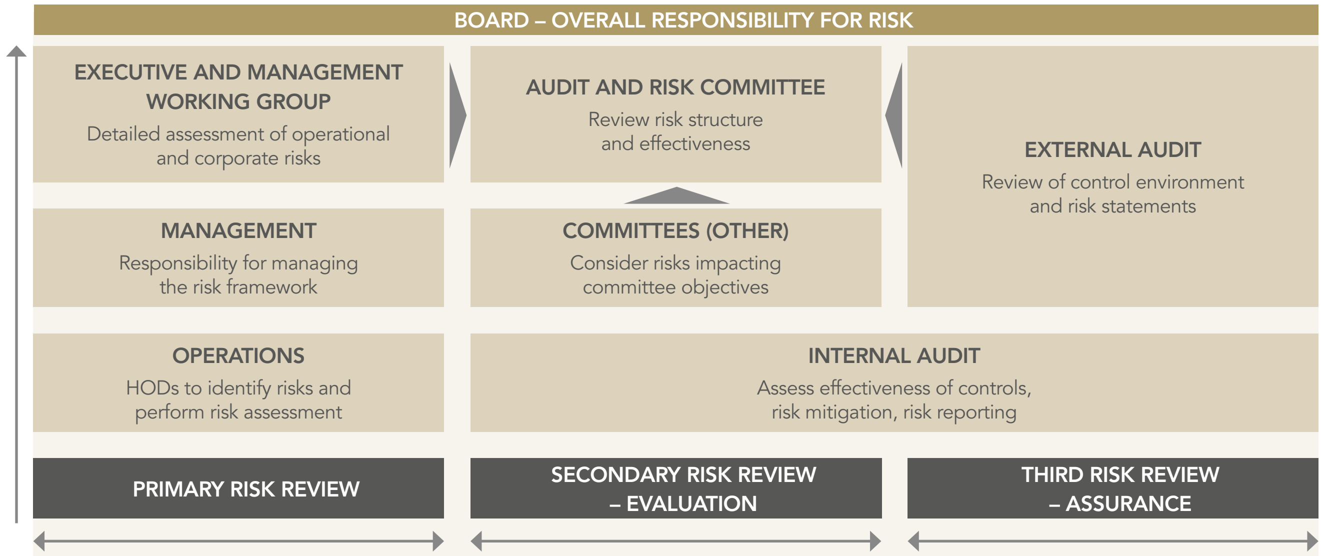
The internal auditor will make an assessment each year of any significant changes to the risk profile of the organisation and consider any areas of focus for the provision of internal audit services. The committee will ultimately be seeking an independent viewpoint and assurance over the internal control environment from BDO LLP.

Risk assessment

The board has overall responsibility for establishing risk across Centamin through a robust risk management system that allows for the assessment and management of material strategic and operational risks. In addition, the board is responsible for articulating the group's risk appetite against the principal risks.

The audit and risk committee monitors the risk management and internal control structure implemented by management. It advises on significant changes to that structure so as to obtain reasonable assurance that the Company's assets are safeguarded and that reliable financial records are maintained. The committee assists in developing the risk environment, making suggestions on ways in which the business can improve its internal reporting. The committee receives comprehensive monthly reporting information from the group's operations and enhanced reporting in the event of an incident.

The following diagram illustrates the structure for risk review and reporting across the organisation:



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AUDIT AND RISK REPORT continued

Risk assessment continued

During the year, the audit and risk committee and the board evaluated their risk management processes and reporting. In evaluating the current processes and taking advice and guidance from both the external and internal auditors, they have prepared a revised and updated risk management framework.

The updated framework will assist the Company to enhance reporting and information flows to the board and assist the board, aided by the audit and risk committee, in assessing the effectiveness of the Company's systems for management of material strategic and operational risks. In addition, the following reports were prepared for the audit and risk committee's review:

- comprehensive control environment memorandum and recommendations for further improvement prepared by the management team;
- monthly and quarterly reporting on the operational activity, including enhanced reporting on any significant operational and corporate issues;
- internal audit work on IT systems at Sukari and Alexandria, Egypt;
- external audit work culminating in the annual and half-yearly audit report;
- quarterly risk reporting to include analysis on corporate and operational risks, mitigation (including insurance cover), operational level 4/5 incident reporting and corrective action; and
- policy updates and review.

The assessment identifies the risks facing the business and we consider the annual assessment to be suitably robust, covering strategic and operational risks at a corporate level and risks identified at our operations in Egypt, Burkina Faso and Côte d'Ivoire.

The assessment carried out during the year, which also took note of the work carried out by the internal auditor, concluded that there were adequate procedures, polices and controls in place at an operational level and that the risks at a corporate level, taking into account the Company's strategic objectives, had been adequately identified.

Targets in 2017

The board and the audit and risk committee will use the risk framework agreement to influence the type and form of risk information that is currently reported to management and the board. The board will also consider the approach taken to, and effectiveness in, influencing the Company's risk appetite and risk culture throughout the organisation. Activities that will be taking place during 2017 include:

- embedding the risk management framework within the organisation;
- enhancing the reporting to the board at a strategic and operational level;
- considering further our risk appetite towards strategic risks and strategic objectives; and
- continuing with its work to improve the control environment and updating the control environment memorandum.

The audit and risk committee and the board are pleased to confirm that the Company remains in compliance with best practice guidelines and with the UK Corporate Governance Code and relevant Canadian requirements. The Code contained a number of changes including an increased focus on how risk is governed and managed, with new provisions on the robust assessment of solvency and liquidity, continuous monitoring of systems of internal control and a statement on business viability. Details of our viability statement can be found on page 31 and our going concern statement can be found on page 114.

Having considered the risks in detail, the principal risks have been identified and are set out on pages 32 to 35. The risks reflected in the matrix and the mitigating actions reflect the principal risks to the Company and its stakeholders.

Control environment

Full details of the risk management and control environment are set out in the strategic report. The risk management report concludes by identifying the principal risks for the business and the Company's statements on risk appetite and long term viability.

While the board has overall responsibility for risk management and internal controls, the board has delegated certain responsibilities to this committee. These include responsibility over the adequacy of the internal control policies and procedures and the effectiveness of internal financial controls and risk management systems.

The key features of the control environment are to ensure compliance with laws, regulations and other requirements relating to external reporting by the Company of financial and non-financial information. The purpose of the risk management framework is to understand the risks the group faces and to manage them appropriately to enhance the Company's ability to improve its decision making process, deliver on its objectives and subsequently improve its performance as a mining company.

During the year, the committee reviewed the overall control environment, including specific financial controls and procedures. The committee also recommended the adoption of a new risk framework agreement to formalise the existing information and reporting flows between the operation, the executive management team and the committees and board.

The committee was encouraged by the developments during the year, which included the following:

- upgrade of Mainpac, an accounting system for managing the supply chain;
- update of the 2016 accounting manual;
- comprehensive review of the existing board and committee charters and key corporate policies;
- review of the existing supply manual and a delegated authorities manual; and
- the development of a standard template for all contracts to include standard terms and conditions.

As part of the review process, it was necessary to update the existing corporate policy on risk and the board adopted a revised and updated risk management framework agreement. The risk management framework includes additional detail about the scope and structure of an executive risk management working group, which will be preparing quarterly reports on an ongoing basis to help implement the suggested improvements following the last review and internal audit recommendations.

The appointment of the internal auditor BDO LLP, in 2015, was an important step in the Company's evolution, and will help the Company and the committee identify any potential weaknesses in the control environment and recommend improvements for the future.

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 financial controller 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.

Going concern and long term viability

The directors considered it appropriate to 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. The statements in relation to the group's viability, over the longer term, are set out in the risk management report on page 31 and the directors' report on page 114.

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.

For and on behalf of the audit and risk committee of Centamin plc.

Mark Arnesen
1 February 2017

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 the 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 (including the business model and risk management 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 2016 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 provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy. The directors have undertaken a robust assessment of the principal risks impacting the Company. The assessment identified strategic and operational risks at a corporate level and principal risks impacting our operations in Egypt and West Africa. Details of the risk assessment can be found in the audit and risk report on pages 111 and 112 and the risk management section on pages 30 to 35.

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 1 February 2017 and signed on their behalf by:

Andrew Pardey	**Ross Jerrard**
Chief executive officer	Chief financial officer
1 February 2017	1 February 2017

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 2016 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991 and Article 4 of the IAS Regulation.

What we have audited

The financial statements, included within the annual report, comprise:

- the consolidated statement of financial position as at 31 December 2016;
- 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.

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

Our audit approach

Context

Centamin plc is listed on the London Stock Exchange and its principal operation is the Sukari Gold Mine in Egypt. Production continues to increase and this together with the positive impact on profitability of strong gold prices set the context for our audit in 2016. In addition to the operation of Sukari the group continues its exploration programme in Burkina Faso and Côte d'Ivoire.

Overview

- Overall group materiality: $6.8 million which represents 5% of three-year average profit before tax, after exceptional items (2015: $5.4 million). The higher materiality reflects the higher profitability of the group.
- We focused our audit procedures on the Sukari Gold Mine, as well as performing audit procedures over the group's significant exploration and corporate operations. Two components were subject to an audit of their complete financial information whilst a further four were subject to specific audit procedures over material balances. Audit procedures were performed in Egypt and Jersey.
- All audit work on the areas of focus was performed by the group engagement team.

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 on page 116. 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.

Changes in areas of focus

In 2016, one addition was made to our areas of focus whilst one other was removed. Amounts due to the government with respect to operating and exploration properties was added this year. With the commencement of profit share payments to the Egyptian Mineral Resource Authority ("EMRA") management were required to use judgment in their determination of the amount of profit share payable for the period.

Taxation was removed as an area of focus in 2016 as the material tax liability which arose in the prior period was event driven and did not reoccur. As a result there were no material tax balances in the current period.

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INDEPENDENT AUDITOR'S REPORT continued

to the members of Centamin plc

AREA OF FOCUS	HOW OUR AUDIT ADDRESSED THE AREA OF FOCUS
The appeal before the Supreme Administrative Court in Egypt concerning the validity of the Sukari Concession Agreement Refer to page 143 (note 21 to the financial statements) and pages 34 and 35 (principal risks). The group is in the process of appealing a ruling passed by the Egyptian Administrative Court in October 2012. If the ruling is upheld, the group's operations at the Sukari Gold Mine 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 $867.7 million at 31 December 2016. The outcome of this case is subject to significant uncertainty due to ongoing political, social and economic volatility in Egypt.	We discussed the legal case with the group's legal team, and considered appropriate documentation to understand the legal position and the basis of the directors' assessment of the outcome of the court case. We assessed the competence, capability and objectivity of internal and external legal counsel by considering professional qualifications, fee arrangements and other relevant factors. These procedures satisfied us that internal and external legal counsel were competent, capable and objective. We also obtained and read a copy of the Concession Agreement, as signed by the relevant parties. The directors 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. We tested the disclosures in note 21 to the financial statements and determined that they were consistent with the requirements of IFRS and the results of our audit work.
The claim before the Administrative Court concerning diesel fuel disputes Refer to page 143 (note 21 to the financial statements) and pages 34 and 35 (Principal risks). The group 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 $231.2 million and the potential amount that the group could have to pay if they lose the historical case is EGP403 million (approximately US$21.8 million at current exchange rates). 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. In 2016, 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, in note 21 to the financial statements. No contingent asset has been recognised.	We discussed the legal fuel subsidy cases with the group's legal team, and considered appropriate documentation to understand the legal position and to evaluate the directors' assessment of the outcome of the case. We assessed the competence, capability and objectivity of internal and external counsel, by considering professional qualifications, fee arrangements and other relevant factors. These procedures satisfied us internal and external legal counsel were competent, capable and objective. 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. We considered whether any new factors had arisen this year that would impact the appropriateness of continuing to disclose this item as exceptional. There were no new developments of this nature. We also considered the sufficiency of the disclosure regarding the case and found that it was consistent with the requirements of IFRS and gave a balanced description of the case.
Amounts due to the government with respect to operating and exploration properties Refer to page 135 (note 7 to the financial statements) and pages 34 and 35 (Principal risks). The group operates across a number of jurisdictions and, like most groups, is subject to periodic challenges by the government on amounts owed with respect to the Sukari operations in Egypt and the exploration properties in West Africa. The amounts owed to EMRA with respect to the profit sharing arrangement under the Concession Agreement are based on management's best judgment of the probable amount of the profit share liability. As at 31 December 2016 the group has an expense of $51.3 million and a net payable/receivable of $4 million as the result of profit sharing and cost recovery mechanisms under the Concession Agreement, which we considered merited our focus. Amounts owed to the government in Burkina Faso and Côte d'Ivoire were not material during the year; however the risk of uncertainty due to payments owed to the government will increase as exploration continues.	With regards to amounts owed to EMRA, we held discussions with management regarding their calculation of the amount due and obtained the calculation. We agreed the amounts in the calculation to source documentation and where elements of the calculation were subject to uncertainty, we tested management's assessment of the probable amount of the liability to satisfy ourselves that amounts due to government had been appropriately recorded. Where management had obtained independent legal or expert advice, we obtained that advice and evaluated the competency of the experts involved to assess the key assumptions. We also performed procedures to ensure the completeness of amounts due to government, with no material unrecorded amounts identified.

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 and exploration activity in Egypt, with exploration activity in 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. Specific audit procedures were performed over material balances relating to the group's exploration and corporate activities. We visited the Sukari Gold Mine and conducted audit fieldwork in Alexandria and Jersey. During these visits, we observed and discussed mining operations with local management and met with the group's external in-country legal counsel in Cairo.

Furthermore, we performed work over the consolidation of the group's components and significant head office and consolidation adjustments.

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 on the individual financial statement line items and disclosures and in evaluating 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	$6.8 million (2015: $5.4 million).
How we determined it	5% of three-year average profit before tax, after exceptional items.
Rationale for benchmark applied	We used the profit before tax after exceptional items benchmark and took a three-year average to eliminate the effects of gold price volatility. We chose profit before tax after exceptional items as it is the key indicator of the financial performance of the group.

We agreed with the audit committee that we would report to them misstatements identified during our audit above $338,000 (2015: $270,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Going concern

Under the Listing Rules we are required to review the directors' statement, set out on page 114, in relation to going concern. We have nothing to report having performed our review.

Under ISAs (UK & Ireland) we are required to report to you if we have anything material to add or to draw attention to in relation to the directors' statement about whether they considered it appropriate to adopt the going concern basis in preparing the financial statements. We have nothing material to add or to draw attention to.

As noted in the directors' statement, the directors have concluded that it is appropriate to adopt the going concern basis in preparing the financial statements. The going concern basis presumes that the group has adequate resources to remain in operation, and that the directors intend it 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 ability to continue as a going concern.

Other required and voluntary reporting

ISAs (UK & IRELAND) REPORTING	

Under ISAs (UK & Ireland) we are required to report to you if, in our opinion:
• information in the annual report is:
  • materially inconsistent with the information in the audited financial statements; or
  • apparently materially incorrect based on, or materially inconsistent with, our knowledge of the group acquired in the course of performing our audit; or
  • otherwise misleading.
	We have no exceptions to report.

• the statement given by the directors on page 114, 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 position and 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.
• the section of the annual report on pages 109 and 110, as required by provision C.3.8 of the Code, describing the work of the audit committee does not appropriately address matters communicated by us to the audit committee.	We have no exceptions to report.

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INDEPENDENT AUDITOR'S REPORT continued

to the members of Centamin plc

The directors' assessment of the prospects of the group and of the principal risks that would threaten the solvency or liquidity of the group

UNDER ISAs (UK & IRELAND) WE ARE REQUIRED TO REPORT TO YOU IF WE HAVE ANYTHING MATERIAL TO ADD OR TO DRAW ATTENTION TO IN RELATION TO:	
• the directors' confirmation on page 114 of the annual report, in accordance with provision C.2.1 of the Code, that they have carried out a robust assessment of the principal risks facing the group, including those that would threaten its business model, future performance, solvency or liquidity.	We have nothing material to add or to draw attention to.
• the disclosures in the annual report that describe those risks and explain how they are being managed or mitigated.	We have nothing material to add or to draw attention to.
• the directors' explanation on page 31 of the annual report, in accordance with provision C.2.2 of the Code, as to how they have assessed the prospects of the group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.	We have nothing material to add or to draw attention to.

Under the Listing Rules we are required to review the directors' statement that they have carried out a robust assessment of the principal risks facing the group and we have also reviewed the statement that the directors have chosen to make in relation to the longer-term viability of the group. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the Code; and considering whether the statements are consistent with the knowledge acquired by us in the course of performing our audit. We have nothing to report having performed our review.

Adequacy of information and explanations received

Under the Companies (Jersey) Law 1991 we are required to report to you if, in our opinion, we have not received all the information and explanations we require for our audit. 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 ten further provisions of the Code. We have nothing to report having performed our review.

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 United Kingdom Companies Act 2006 ("Companies Act 2006") to be audited as if the Company were a UK 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 71 and 155 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, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the strategic report and the directors' report. We have nothing to report in this respect.

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 114, 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 parent 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. With respect to the strategic report and directors' report, we consider whether those reports include the disclosures required by applicable legal requirements.

Richard Spilsbury
for and on behalf of
PricewaterhouseCoopers LLP

Chartered Accountants and
Recognised Auditors

London

1 February 2017

(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 the United Kingdom 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 2016

	Notes	31 December 2016 US$'000	31 December 2015 US$'000
Revenue	5	**687,387**	508,396
Cost of sales	6	**(389,276)**	(416,242)
Gross profit		**298,111**	92,154
Other operating costs	6	**(32,077)**	(27,722)
Impairment of exploration and evaluation assets	14	**(122)**	(6,294)
Finance income	6	**917**	269
Profit before tax		**266,829**	58,407
Tax	8	**(821)**	(6,837)
Profit after tax		**266,008**	51,570
EMRA profit share	7	**(51,253)**	—
Profit for the year after EMRA profit share		**214,755**	51,570
Profit for the year attributable to:			
– the owners of the parent		**214,755**	51,570
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Profit/(loss) on available-for-sale financial assets (net of tax)	15	**45**	(212)
Other comprehensive income for the year		**45**	(212)
Total comprehensive income attributable to:			
– the owners of the parent		**214,800**	51,358
Earnings per share before profit share:			
Basic (cents per share)	25	**23.049**	4.506
Diluted (cents per share)	25	**22.935**	4.441
Earnings per share after profit share:			
Basic (cents per share)	25	**18.608**	4.506
Diluted (cents per share)	25	**18.516**	4.441

The above audited consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2016

	Notes	31 December 2016 US$'000	31 December 2015 US$'000
Non-current assets			
Property, plant and equipment	13	**868,926**	871,467
Exploration and evaluation asset	14	**153,918**	152,077
Prepayments	12	**295**	28,750
Other receivables	10	**81**	60
Total non-current assets		**1,023,220**	1,052,354
Current assets			
Inventories	11	**136,562**	134,775
Available-for-sale financial assets	15	**130**	163
Trade and other receivables	10	**24,870**	23,784
Prepayments	12	**2,028**	4,330
Cash and cash equivalents	26	**399,873**	199,616
Total current assets		**563,463**	362,668
Total assets		**1,586,683**	1,415,022
Non-current liabilities			
Provisions	17	**7,697**	7,139
Total non-current liabilities		**7,697**	7,139
Current liabilities			
Trade and other payables	16	**47,991**	47,138
Tax liabilities	8	**—**	6,837
Provisions	17	**6,476**	576
Total current liabilities		**54,467**	54,551
Total liabilities		**62,164**	61,690
Net assets		**1,524,519**	1,353,332
Equity			
Issued capital	18	**667,472**	665,590
Share option reserve	19	**3,048**	2,469
Accumulated profits		**853,999**	685,273
Total equity attributable to:			
– owners of the parent		**1,524,519**	1,353,332
Total equity		**1,524,519**	1,353,332

The above audited consolidated statement of financial position should be read in conjunction with the accompanying notes.

The consolidated financial statements on pages 114 to 154 were approved by the board of directors on 1 February 2017 and signed on its behalf by:

Andrew Pardey
Chief executive officer
1 February 2017

Ross Jerrard
Chief financial officer
1 February 2017

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2016

	Issued capital US$'000	Share option reserve US$'000	Accumulated profits US$'000	Total equity US$'000
Balance as at 1 January 2016	**665,590**	**2,469**	**685,273**	**1,353,332**
Profit for the year	—	—	**266,008**	**266,008**
EMRA profit share	—	—	**(51,253)**	**(51,253)**
Other comprehensive income for the year	—	—	**45**	**45**
Total comprehensive income for the year	—	—	**214,800**	**214,800**
Issue of shares	**(17)**	—	—	**(17)**
Transfer of share-based payments	**1,899**	**(1,899)**	—	—
Recognition of share-based payments	—	**2,478**	—	**2,478**
Dividend paid	—	—	**(46,073)**	**(46,073)**
Balance as at 31 December 2016	**667,472**	**3,048**	**853,999**	**1,524,519**

	Issued capital US$'000	Share option reserve US$'000	Accumulated profits US$'000	Total equity US$'000
Balance as at 1 January 2015	661,573	4,098	667,702	1,333,373
Profit for the year	—	—	51,570	51,570
Other comprehensive income for the year	—	—	(212)	(212)
Total comprehensive income for the year	—	—	51,358	51,358
Issue of shares	38	—	—	38
Transfer of share-based payments	3,979	(3,979)	—	—
Recognition of share-based payments	—	2,350	—	2,350
Dividend paid	—	—	(33,787)	(33,787)
Balance as at 31 December 2015	665,590	2,469	685,273	1,353,332

The above audited consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2016

	Notes	31 December 2016 US$'000	31 December 2015 US$'000
Cash flows from operating activities			
Cash generated in operating activities	26(b)	**374,811**	185,811
Taxes paid		**(7,599)**	—
Finance income		**(917)**	(269)
Net cash generated by operating activities		**366,295**	185,542
Cash flows from investing activities			
Acquisition of property, plant and equipment		**(57,204)**	(36,554)
Exploration and evaluation expenditure		**(49,487)**	(34,372)
Finance income	6	**917**	269
Net cash used in investing activities		**(105,774)**	(70,657)
Cash flows from financing activities			
EMRA prepayment	7	—	(5,000)
Dividend paid		**(46,073)**	(33,787)
EMRA profit share	7	**(18,503)**	—
Net cash provided by financing activities		**(64,576)**	(38,787)
Net increase in cash and cash equivalents		**195,945**	76,098
Cash and cash equivalents at the beginning of the period		**199,616**	125,659
Effect of foreign exchange rate changes		**4,312**	(2,141)
Cash and cash equivalents at the end of the period	26	**399,873**	199,616

The above audited consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2016

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, Burkina Faso, Côte d'Ivoire, United Kingdom and Australia. It is the parent company of the group, comprising the Company and its subsidiaries and joint arrangements.

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

Standards not affecting the reported results nor the financial position

In the current year, the new and revised standards and interpretations that have been adopted have not had a significant impact on the amounts reported in these financial statements.

New standards, amendments and interpretations not yet adopted

Standards and interpretations issued but not yet effective up to the date of issuance of the financial statements are listed below. This listing of standards and interpretations issued are those that the group reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date.

IFRS 15 'Revenue from contracts with customers'. The new standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and provides a five-step framework for application to customer contracts: identification of customer contract; identification of the contract performance obligations; determination of the contract price; allocation of the contract price to the contract performance obligations; and revenue recognition as performance obligations are satisfied. A new requirement where revenue is variable stipulates that revenue may only be recognised to the extent that it is highly probable that significant reversal of revenue will not occur. The group is currently assessing the impact of IFRS 15 but as the majority of gold sales are not subject to pricing adjustments, a significant impact is not anticipated. The new standard will be effective for annual periods beginning on or after 1 January 2018.

IFRS 9 'Financial instruments'. IFRS 9 addresses the financial reporting of financial assets and financial liabilities. This standard replaces IAS 39 'Financial instruments: recognition and measurement'. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than in net earnings, unless this creates an accounting mismatch. The impairment model and hedging rules have also been amended under IFRS 9 but the derecognition rules remain the same. The group does not expect a significant impact from IFRS 9 at the moment as it does not enter into formal hedge accounting arrangements, has no long term trade or other receivables and does not hold financial liabilities at fair value. However, the group will need to consider the accounting for assets currently held as available-for-sale. The new standard will be effective for annual periods beginning on or after 1 January 2018.

IFRS 16 'Leases'. The new standard will replace IAS 17 'Leases' and eliminates the classification of leases as either operating or finance leases by the lessee. Classification of leases by the lessor under IFRS 16 continues as either an operating or a finance lease, as was the treatment under IAS 17 'Leases'. The treatment of leases by the lessee will require capitalisation of all leases resulting in accounting treatment similar to finance leases under IAS 17 'Leases'. Exemptions for leases of very low value or short term leases will be applicable. The new standard will result in an increase in lease assets and liabilities for the lessee. Under the new standard the treatment of all lease expense is aligned in the statement of earnings with depreciation, and an interest expense component recognised for each lease, in line with finance lease accounting under IAS 17 'Leases'. The group's office building leases will come on balance sheet on adoption of IFRS 16 but this is not expected to have a significant impact on either the balance sheet or KPI reporting. IFRS 16 will be applied prospectively for annual periods beginning on or after 1 January 2019.

3. Summary of significant accounting policies

Basis of preparation

These financial statements are denominated in US dollars ("US$"), which is the presentational currency of Centamin plc. All companies in the group use the US$ as their functional currency except for the UK subsidiaries which are denominated in Great British pounds ("GBP") and the Australian subsidiaries which are denominated in Australian dollars ("A$"). All financial information presented in US 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 and interpretations issued from time to time by the IFRS Interpretations Committee ("IFRS IC") both as adopted by the European Union ("EU") and which are mandatory for EU reporting as at 31 December 2016, the Companies (Jersey) Law 1991, and IFRS as issued by the IASB and interpretations issued from time to time by the IFRS IC which are mandatory as at 31 December 2016, therefore the group financial statements comply with Article 4 of the EU IAS Regulation. The group has not early adopted any other amendments, standards or interpretations that have been issued but are not yet mandatory.

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.

Comparative figures

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year. These are categorisation changes for comparison purposes only and have no effect on results as previously reported.

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% 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, the provisions of which are described more fully below, whilst PGM is responsible for funding 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% of SGM's net production surplus which is defined as 'revenue less payment of the fixed royalty to Arab Republic of Egypt ("ARE") and recoverable costs'. However, in accordance with the terms of the Concession Agreement, in the first and second years in which there is a profit share, PGM will be entitled to an additional 10% of net production surplus and an additional 5% in the third and fourth years. 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 2016 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 21, the operation of the mine has been affected by two legal actions. The first of these followed from a decision taken by Egyptian General Petroleum Corporation ("EGPC") to charge international, not local (subsidised) prices for the supply of DFO, and the second arose as a result of a judgment of the Administrative Court of first instance in relation to, amongst other matters, the Company's 160km^2 exploitation lease. In relation to the first decision, the Company remains confident that in the event that it is required to continue to pay international prices, the mine at Sukari will remain commercially viable. Similarly, the Company remains confident that the appeal it has lodged in relation to the decision of the Administrative Court will ultimately be successful, although final resolution of it may take some time. On 20 March 2013, the Supreme Administrative Court upheld the Company's application to suspend the decision until the merits of the Company's appeal were considered and ruled on, thus providing assurance that normal operations will be able to continue during this process.

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

Having assessed the principal risks and the other matters discussed in connection with the long term viability statement (refer to the risk management report included within the annual report), the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Accounting policies

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 December 2016

3. Summary of significant accounting policies continued

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;
- 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;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 'Financial instruments: recognition and measurement' permits the entire combined contract (asset or liability) to be designated as at FVTPL.

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

Other financial liabilities

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

Derecognition of financial liabilities

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

Financial assets

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

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

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 ("AFS") financial assets

Listed shares and listed redeemable notes held by the group that are traded in an active market are classified as being AFS and are stated at fair value. Fair value is determined in the manner described in note 27. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated profits with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is reclassified to profit or loss.

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

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

Loans and receivables

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

Impairment of financial assets

Financial assets, other than those at FVTPL, 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 AFS 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:

- the rights to tenure of the area of interest are current; and
- at least one of the following conditions is also met:
  - 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
  - exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 December 2016

3. Summary of significant accounting policies continued

Superannuation continued

Foreign currencies

The individual financial statements of each group entity are presented in its functional currency being the currency of the primary economic environment in which the entity operates. For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in US 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 finished goods are valued applying absorption costing.

Interests in joint arrangements

The group applies IFRS 11 '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 22).

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")

PPE is stated at cost less accumulated depreciation and impairment. PPE 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 PPE includes the estimated restoration costs associated with the asset.

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

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

Freehold land is not depreciated.

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

Plant and equipment	2 – 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 scrappage of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

Mine development properties

Where mining of a mineral resource has commenced, the accumulated costs are transferred from exploration and evaluation assets to mine development properties.

Amortisation is first charged to new mine development ventures from the date of first commercial production. Amortisation of mine properties is on a unit of production basis resulting in an amortisation charge proportional to the depletion of the proved and probable ore reserves. The unit of production can be on a tonnes or an ounce depleted basis.

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

Stripping activity assets

The group defers stripping costs incurred (removal of mine waste materials which provide improved access to further quantities of material that will be mined in future periods). 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:

- it is probable that the future economic benefit (improved access to the ore body) associated with the stripping activity will flow to the entity;
- the entity can identify the component of the ore body for which access has been improved; and
- 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 loss 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 Gold Mine. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 December 2016

3. Summary of significant accounting policies continued

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 remeasured, 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 payments'; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 'Non-current assets held for sale'.

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

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

Investments in associates

An associate is an entity over which the group has significant influence and that is neither a subsidiary nor a joint arrangement. 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 and 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 28.

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 within other operating costs rather than being capitalised into the cost of the related asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 December 2016

4. Critical accounting judgments

Critical judgments in applying the entity's accounting policies

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

Management has discussed its critical accounting judgments and associated disclosures with the Company's audit and risk committee.

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

IFRS requires management to test for impairment if events or changes in circumstances indicate that the carrying amount of a finite lived asset may not be recoverable. Management has 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; and
- litigation.

The key assumptions previously applied in impairment reviews are:

- 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 21 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 21 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 still take some time, management remains confident that a satisfactory outcome will ultimately be achieved. In the meantime, however, the group is continuing to pay international prices for Diesel Fuel Oil. With respect to the Administrative Court ruling, on 20 March 2013 the Supreme Administrative Court upheld the Company's application to suspend this decision until the merits of the Company's appeal are considered and ruled on, thus providing assurance that normal operations will 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.

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 it included 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 21 to the financial statements;
- forecast gold price;
- production volumes; and
- costs and recovery rates.

These financial statements for the year ended 31 December 2016 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 22 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 consolidated statement of comprehensive income and the calculation in the valuation of inventory.

Production forecasts from the underground mine at Sukari are partly based on estimates regarding future resource and reserve growth. It should be specifically noted that the potential quantity and grade from the Sukari underground mine is conceptual in nature, that there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the target being delineated as a mineral resource.

Depreciation of capitalised underground mine development costs

Depreciation of capitalised underground mine development costs at the Sukari Gold Mine is based on reserve estimates. Management and directors believe that these estimates are both realistic and conservative, based on current information.

EMRA profit share

Payments made to EMRA pursuant to the provisions of the Concession Agreement are recognised as a variable charge in the income statement (below profit after tax) of Centamin, which leads to a reduction in the earnings per share. The profit share payments during the year will be reconciled against SGM's audited June 2017 financial statements. Any variation between payments made during the year (which are based on the Company's estimates) and the audited financial statements, may result in a balance due and payable to EMRA or advances to be offset against future distributions.

Egyptian pound

The group operates predominantly in Egypt. The group receives its income from gold sales in US dollars, however, it is offset by the fact that in November 2016, the Egyptian government floated the Egyptian pound in an attempt to stabilise its economy. This has led to a significant devaluation of the currency which has led to an increase in inflation. This is a potential risk for the group as it has led to increases in the prices of fuel, raw materials and other goods as well as pressure to increase staff wages.

5. Revenue

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

	31 December 2016 US$'000	31 December 2015 US$'000
Gold sales	**686,306**	506,963
Silver sales	**1,081**	1,433
	687,387	508,396

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

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6. Profit before tax

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

	31 December 2016 US$'000	31 December 2015 US$'000
Cost of sales		
Mine production costs	**(288,317)**	(314,827)
Movement in inventory	**5,926**	(7,476)
Depreciation and amortisation	**(106,885)**	(93,939)
	(389,276)	(416,242)

	31 December 2016 US$'000	31 December 2015 US$'000
Finance income		
Interest received	**917**	269
Other operating costs		
Corporate compliance	**(1,746)**	(1,556)
Office related depreciation	**(87)**	(111)
Auditing fees	**(641)**	(573)
Corporate consultants	**(370)**	(751)
Communications and IT	**(169)**	(206)
Salary and wages	**(5,353)**	(6,929)
Travel, accommodation and entertainment	**(859)**	(1,212)
Office rents and lease payment	**(156)**	(185)
Other administration expenses	**(207)**	(140)
Impairment reversal	**484**	526
Insurances	**(225)**	(120)
Other taxes	**(1,400)**	(516)
Stock obsolescence	**(2,500)**	—
Employee equity settled share-based payments	**(2,478)**	(2,350)
Fixed royalty – attributable to the Egyptian government	**(20,575)**	(15,198)
Foreign exchange gain net	**5,025**	2,141
Finance charges	**(239)**	(180)
Provision for restoration and rehabilitation – unwinding of discount	**(581)**	(362)
	(32,077)	(27,722)

	31 December 2016 US$'000	31 December 2015 US$'000
Impairment of exploration and evaluation assets(1)	**(122)**	(6,294)

(1) Refer to note 14 for further details.

7. EMRA profit share

EMRA is entitled to a share of 50% of SGM's net production surplus which can be defined as 'revenue less payment of the fixed royalty to Arab Republic of Egypt ("ARE") and recoverable costs'. However, in accordance with the terms of the Concession Agreement, in the first and second years in which there is a profit share, PGM will be entitled to an additional 10% of net production surplus and an additional 5% in the third and fourth years.

	31 December 2016 US$'000	31 December 2015 US$'000
Income statement		
EMRA profit share	**(51,253)**	—
Balance sheet		
EMRA advance profit share prepayment	**—**	28,750
EMRA profit share accrual	**4,000**	—

Entitlements to EMRA pursuant to the provisions of the Concession Agreement are recognised as a variable charge in the income statement (below profit after tax) of Centamin, which leads to a reduction in the earnings per share. The profit share payments during the year will be reconciled against SGM's audited June 2017 financial statements.

Any variation between payments made during the year (which are based on the Company's estimates) and the audited financial statements, may result in a balance due and payable to EMRA or advances to be offset against future distributions. This will be reflected as an accrual or prepayment in each reporting period.

Centamin elected to make advance payments against future profit share from 2013 onwards and the value of these payments amounted to US$28.75 million. These payments were recovered by PGM during the year by way of net off against EMRA's entitlement to profit share during the period.

	31 December 2016 US$'000	31 December 2015 US$'000
Cash flows		
EMRA profit share entitlement	**51,253**	—
EMRA prepayment	**—**	5,000
EMRA recovery of prepayment	**(28,750)**	—
EMRA accrual	**(4,000)**	—
EMRA cash payments during the period	**18,503**	5,000

EMRA and PGM benefit from advance distributions of profit share which are made on a weekly/fortnightly basis and proportionately in accordance with the terms of the Concession Agreement. Future distributions will take into account ongoing cash flows, historic costs that are still to be recovered and any future capital expenditure. The profit share payments during the year will be reconciled against SGM's audited June 2017 financial statements.

Subsequent to year end further profit share advance distributions totalling US$7 million have been made to EMRA.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 December 2016

8. Tax

The group operates in several countries and, accordingly, it is subject to the various tax regimes in the countries in which it operates. From time to time the group is subject to a review of its related tax filings and in connection with such reviews, disputes can arise with the taxing authorities over the interpretation or application of certain rules to the group's business conducted within the country involved. If the group is unable to resolve any of these matters favourably, there may be an adverse impact on the group's financial performance, cash flows or results of operations. In the event that management's estimate of the future resolution of these matters changes, the group will recognise the effects of the changes in its consolidated financial statements in the period that such changes occur.

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 benefits from 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.

Tax recognised in profit is summarised as follows:

Tax expense

	31 December 2016 US$'000	31 December 2015 US$'000
Current tax		
Current tax expense in respect of the current year	**(821)**	(6,837)
Deferred tax	**—**	—
Total tax expense	**(821)**	(6,837)

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

	31 December 2016 US$'000	31 December 2015 US$'000
Profit before income tax	**266,829**	58,407
Tax expense calculated at 0% (2015: 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	**(821)**	(6,837)
Tax expense for the year	**(821)**	(6,837)

(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 (2015: 0%). There has been no change in the underlying corporate tax rates when compared to the previous financial period.

Tax recognised in the balance sheet is summarised as follows:

	31 December 2016 US$'000	31 December 2015 US$'000
Current tax liabilities	**—**	(6,837)
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 Pharaoh Gold Mines NL, Viking Resources NL and North African Resources NL.

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 have 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.

9. 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 2016 US$'000	31 December 2015 US$'000
Egypt	**899,852**	970,376
Ethiopia	**—**	336
Burkina Faso	**105,432**	76,209
Côte d'Ivoire	**17,870**	5,316
Australia	**3**	2
Jersey	**63**	115
	1,023,220	1,052,354

10. Trade and other receivables

	31 December 2016 US$'000	31 December 2015 US$'000
Non-current		
Other receivables – deposits	**81**	60
	81	60

	31 December 2016 US$'000	31 December 2015 US$'000
Current		
Gold and silver sales debtors	**23,009**	20,472
Other receivables	**1,861**	3,312
	24,870	23,784

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

All gold and silver sales during the year were made to a single customer in North America and are neither past due or impaired.

The average age of the receivables is nine days (2015: 14 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 a receivable from Asahi Refining of Canada. The amount due has been received in full subsequent to year end. Other receivables represent GST and VAT amounts owing from the various jurisdictions that the group operates in and inventory returns to vendors where refunds are expected to occur.

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 2016

11. Inventories

	31 December 2016 US$'000	31 December 2015 US$'000
Mining stockpiles and ore in circuit	**34,217**	28,291
Stores inventory	**102,345**	106,484
	136,562	134,775

12. Prepayments

	31 December 2016 US$'000	31 December 2015 US$'000
Current		
Prepayments	**1,151**	1,161
Fuel prepayments	**877**	3,169
	2,028	4,330

	31 December 2016 US$'000	31 December 2015 US$'000
Non-current		
EMRA	**—**	28,750
Others	**295**	—
	295	28,750

Movement in fuel prepayments

	31 December 2016 US$'000	31 December 2015 US$'000
Balance at the beginning of the year	**3,169**	—
Fuel prepayment recognised	**23,014**	42,472
Less: provision charged to:(1)		
Mine production costs	**(22,844)**	(43,808)
Property, plant and equipment	**(2,269)**	—
Inventories	**(193)**	1,336
Fuel advance down payment	**—**	3,169
Balance at the end of the year	**877**	3,169

(1) The cumulative fuel prepayment recognised and provision charged as at 31 December 2016 is as follows:

Fuel prepayment recognised (US$'000)	231,218
Provision charged to:	
Mine production costs (US$'000)	(218,000)
Property, plant and equipment (US$'000)	(14,120)
Inventories (US$'000)	(1,390)
Fuel advance down payment (US$'000)	3,169

Diesel Fuel Oil ("DFO") dispute

As more fully described in note 21 below, the group is currently involved in court action concerning the price at which it is supplied with DFO. Since January 2012, the group has had to pay for DFO at the international price rather than the subsidised price which it believes it is entitled to. It is seeking recovery of the funds advanced since 2012 through court action. 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$231.2 million to 31 December 2016 of which US$24.6 million was provided for during 2016.

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 the Diesel Fuel Oil dispute is shown below.

This has resulted in a net charge of US$24.6 million in the profit and loss.

	31 December 2016			31 December 2015		
	Before adjustment US$'000	Adjustment US$'000	Total US$'000	Before adjustment US$'000	Adjustment US$'000	Total US$'000
Cost of sales						
Mine production costs	**(265,473)**	**(22,844)**	**(288,317)**	(271,019)	(43,808)	(314,827)
Movement in inventory	**7,710**	**(1,784)**	**5,926**	(4,545)	(2,931)	(7,476)
Depreciation and amortisation	**(106,885)**	**—**	**(106,885)**	(93,939)	—	(93,939)
	(364,648)	**(24,628)**	**(389,276)**	(369,503)	(46,739)	(416,242)

The effect on earnings per share is shown below:

	31 December 2016			31 December 2015		
	Before adjustment US$'000	Adjustment US$'000	Total US$'000	Before adjustment US$'000	Adjustment US$'000	Total US$'000
Earnings per share before profit share:						
Basic (cents per share)	**25.183**	**(2.134)**	**23.049**	8.590	(4.084)	4.506
Diluted (cents per share)	**25.058**	**(2.123)**	**22.935**	8.467	(4.025)	4.441
Earnings per share after profit share:						
Basic (cents per share)	**20.742**	**(2.134)**	**18.608**	8.590	(4.084)	4.506
Diluted (cents per share)	**20.639**	**(2.123)**	**18.516**	8.467	(4.025)	4.441

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13. Property, plant and equipment

	Office equipment US$'000	Buildings US$'000	Plant and equipment US$'000	Mining equipment US$'000	Mine development properties US$'000	Capital work in progress US$'000	Total US$'000
Cost							
Balance at 31 December 2015	5,535	1,194	582,854	241,316	316,304	32,469	1,179,672
Additions	547	825	1,474	8,733	2,075	43,306	56,960
Disposals	(30)	—	(215)	(558)	—	—	(803)
Transfers	—	—	—	—	47,523	—	47,523
Balance at 31 December 2016	**6,052**	**2,019**	**584,113**	**249,491**	**365,902**	**75,775**	**1,283,352**
Accumulated depreciation							
Balance at 31 December 2015	(4,867)	(293)	(98,504)	(100,826)	(103,715)	—	(308,205)
Depreciation and amortisation	(558)	(119)	(29,496)	(29,424)	(47,376)	—	(106,973)
Disposals	25	—	87	640	—	—	752
Balance at 31 December 2016	**(5,400)**	**(412)**	**(127,913)**	**(129,610)**	**(151,091)**	**—**	**(414,426)**
Cost							
Balance at 31 December 2014	5,401	1,186	565,836	221,178	232,921	116,772	1,143,294
Additions	103	8	147	3,779	—	28,781	32,818
Increase in rehabilitation asset	—	—	—	—	3,762	—	3,762
Disposals	—	—	—	(202)	—	—	(202)
Transfers	31	—	16,871	16,561	79,621	(113,084)	—
Balance at 31 December 2015	5,535	1,194	582,854	241,316	316,304	32,469	1,179,672
Accumulated depreciation							
Balance at 31 December 2014	(4,280)	(234)	(67,980)	(72,339)	(69,497)	—	(214,330)
Depreciation and amortisation	(587)	(59)	(30,524)	(28,663)	(34,218)	—	(94,051)
Disposals	—	—	—	176	—	—	176
Balance at 31 December 2015	(4,867)	(293)	(98,504)	(100,826)	(103,715)	—	308,205
Net book value							
As at 31 December 2015	668	901	484,350	140,490	212,589	32,469	871,467
As at 31 December 2016	**652**	**1,607**	**456,200**	**119,882**	**214,811**	**75,775**	**868,926**

No impairment review was performed in 2015 or 2016 as no indicators of impairment were identified.

14. Exploration and evaluation asset

	31 December 2016 US$'000	31 December 2015 US$'000
Balance at the beginning of the period	**152,077**	123,999
Expenditure for the period	**49,487**	34,372
Transfer to property, plant and equipment	**(47,524)**	—
Impairment of exploration and evaluation asset	**(122)**	(6,294)
Balance at the end of the period	**153,918**	152,077

The exploration and evaluation asset relates to the drilling, geological exploration and sampling of potential ore reserves and can be attributed to Egypt (US$30.5 million) Burkina Faso (US$105.6 million) and Côte d'Ivoire (US$17.8 million).

15. Available-for-sale financial assets

	31 December 2016 US$'000	31 December 2015 US$'000
Balance at the beginning of the period	**163**	409
Gain/(loss) on foreign exchange movement	**(78)**	(560)
Loss on fair value of investment – other comprehensive income	**45**	(212)
Impairment reversal/(loss)	**—**	526
Balance at the end of the period	**130**	163

The available-for-sale financial asset at period end relates to a 5.33% (2015: 6.66% equity interest in Nyota Minerals Limited ("Nyota"), a public listed company and a 0.43% interest in Kefi Minerals plc, an AIM listed company.

Management made the decision to sell its interest in Nyota and the financial asset is classed as a current asset.

16. Trade and other payables

	31 December 2016 US$'000	31 December 2015 US$'000
Trade payables	**23,734**	28,630
Other creditors and accruals	**24,257**	18,508
	47,991	47,138

Trade payables principally comprise the amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 22 days (2015: 22 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.

17. Provisions

	31 December 2016 US$'000	31 December 2015 US$'000
Current		
Employee benefits[(1)]	**367**	456
Withholding tax	**3,609**	120
Stock obsolescence	**2,500**	—
	6,476	576
Non-current		
Restoration and rehabilitation[(2)]	**7,697**	7,139
	7,697	7,139
Movement in restoration and rehabilitation provision		
Balance at beginning of the year	**7,139**	3,015
Additional provision recognised/(provision derecognised)	**(23)**	3,762
Interest expense – unwinding of discount	**581**	362
Balance at end of the year	**7,697**	7,139

(1) Employee benefits relate to annual, sick and long service 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 8.17% (2015: 8.17%). This restoration and rehabilitation estimate, which is reviewed on an annual basis, 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. The annual review undertaken as at 31 December 2016 has resulted in no change to the provision.

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18. Issued capital

	31 December 2016		31 December 2015	
	Number	**US$'000**	Number	US$'000
Fully paid ordinary shares				
Balance at beginning of the period	**1,152,107,984**	**665,590**	1,152,107,984	661,573
Issue/(cancelled) of shares	**—**	**(17)**	—	38
Transfer from share option reserve	**—**	**1,899**	—	3,979
Balance at end of the period	**1,152,107,984**	**667,472**	1,152,107,984	665,590

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

At 31 December 2016 the Company held 2,109,710 ordinary shares in treasury (2015: 5,659,709 ordinary shares). These shares are held by the trustee pursuant to the deferred bonus share plan.

Fully paid ordinary shares carry one vote per share and carry the right to dividends. See note 29 for more details of the share options.

19. Share option reserve

	31 December 2016 US$'000	31 December 2015 US$'000
Share option reserve	**3,048**	2,469

	31 December 2016 US$'000	31 December 2015 US$'000
Share option reserve		
Balance at beginning of the period	**2,469**	4,098
Share-based payments expense	**2,937**	2,456
Transfer to accumulated profits	**(459)**	(106)
Transfer to issued capital	**(1,899)**	(3,979)
Balance at the end of the period	**3,048**	2,469

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.

20. Commitments for expenditure

(a) Capital expenditure commitments

	31 December 2016 US$'000	31 December 2015 US$'000
Plant and equipment(1)		
No longer than one year	**—**	—
Longer than one year and not longer than five years	**—**	—
Longer than five years	**—**	—
	—	—

(1) As a result of the completion of Stage 4, the group had no commitments for capital expenditure as at 31 December 2016.

(b) Operating lease commitments

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

	31 December 2016 US$'000	31 December 2015 US$'000
Office premises		
No longer than one year	**56**	68
Longer than one year and not longer than five years	**47**	119
	103	187

Operating lease commitments are limited to office premises in Jersey.

21. Contingent liabilities and contingent assets

Contingent liabilities

Fuel supply

In January 2012, the group received a letter from Chevron (its then fuel supplier) 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, during 2012, the Company received a demand from Chevron for the repayment of fuel subsidies received in the period from late 2009 through to January 2012, for EGP403 million (approximately US$21.8 million at current exchange rates).

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

In September 2016, the State Commissioner's Office produced a report containing non-binding recommendations for the Administrative Court in which the case is proceeding. The report's findings were unfavourable to the group. The group's legal advisers do not believe the report properly addresses the substantive merits of the group's case and, as such, the Company continues vigorously to pursue its claim. The Company has prepared a response to the report which it will submit at the next hearing in the case. 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$231.2 million. Refer to note 12 of the accompanying financial statements for further details on the impact of this provision on the group's results for 2016.

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 a 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 no. 222 of 1994.

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

Upon notification of the judgment the group took various steps to protect its ability to continue to operate the mine at Sukari. These included lodging a formal appeal before the Supreme Administrative Court on 26 November 2012. In addition, in conjunction with the formal appeal the group applied to the Supreme Administrative Court to suspend the initial decision until such time as the court 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.

EMRA has lodged its own appeal in relation to this matter which is supportive of the Company's position 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 its investment at Sukari and the desire to stimulate further investment in the Egyptian mining industry.

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. In addition, the Company has been advised that it should benefit from 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 law, whilst in force and ratified by the new parliament, is currently under review by the Supreme Constitutional Court of Egypt. It therefore remains of the view that the appeal is based on strong legal grounds and will ultimately be successful. The appeal was stayed by the Supreme Administrative Court in June 2016 until the Supreme Constitutional Court rules on the validity of Law no. 32 of 2014. If the Supreme Constitutional Court upholds Law no. 32, the group is advised that it will benefit from its provisions. In the event that the Supreme Constitutional Court rules that Law no. 32 is invalid, the group remains confident that its appeal will be successful on the merits.

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21. Contingent liabilities and contingent assets continued

Contingent liabilities continued

Concession Agreement court case continued

In the event that the appellate court fails to be persuaded of the merits of the case put forward by the group, the operations at Sukari may be adversely effected to the extent that the group's operation exceeds the exploitation lease area of 3km^2 referred to in the original court decision.

The Company remains confident that normal operations at Sukari will be maintained whilst the appeal process is under way. Centamin does not currently see the need to take the matter to a court outside of Egypt as Centamin remains of the belief that the Egyptian Court will rule in Centamin's favour.

Contingent assets

There were no contingent assets at year end (31 December 2015: nil).

22. 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 2016 %**	31 December 2015 %
Centamin Egypt Limited	Australia	**100**	100
Pharaoh Gold Mines NL (holder of an Egyptian branch)	Australia	**100**	100
Sukari Gold Mining Co	Egypt	**50**	50
Viking Resources Limited (in liquidation)	Australia	**100**	100
North African Resources NL (in liquidation)	Australia	**100**	100
Centamin West Africa Holdings Limited	UK	**100**	100
Sheba Exploration Limited (holder of an Ethiopia branch)	UK	**100**	100
Sheba Exploration Holdings Limited[(1)]	UK	**100**	100
Centamin Group Services Limited	Jersey	**100**	100
Centamin Holdings Limited	Jersey	**100**	100
Centamin Limited	Bermuda	**100**	100
Ampella Mining Limited	Australia	**100**	100
Ampella Share Plan Limited	Australia	**100**	100
Ampella Mining Gold Pty Limited	Australia	**100**	100
West African Gold Reserve Pty Limited	Australia	**100**	100
Ampella Mining Gold SARL	Burkina Faso	**100**	100
Ampella Mining SARL	Burkina Faso	**100**	100
Ampella Mining Côte d'Ivoire	Côte d'Ivoire	**100**	100
Centamin Côte d'Ivoire	Côte d'Ivoire	**100**	100
Ampella Mining Exploration CDI	Côte d'Ivoire	**100**	100
Centamin Exploration CI	Côte d'Ivoire	**100**	100
Ampella Resources Burkina Faso	Burkina Faso	**100**	100
Konkera SA	Burkina Faso	**90**	90

(1) 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 160km^2 surrounding the Sukari Gold Mine 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 2015, PGM had not recovered its cost and accordingly, no EMRA entitlement had been recognised at that date. During 2016 payments to EMRA commenced as advance profit share distributions. 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 Gold Mine is entitled to a 15-year exemption from any taxes imposed by the Egyptian government on the revenues generated from the Sukari Gold Mine. 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 Gold Mine. 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 Gold Mine;
- 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.

23. Auditor's remuneration

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

	31 December 2016 US$'000	31 December 2015 US$'000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	**386**	375
Additional fees relating to the prior year	**10**	—
Fees payable to the Company's auditor and its associates for other services to the group		
– the audit of the Company's subsidiaries	**94**	150
Total audit fees	**490**	525
Non-audit fees:		
Audit related assurance services – interim review	**109**	104
Other assurance services	**15**	22
Tax compliance services	**—**	—
Tax advisory services	**—**	—
Other expenses	**27**	14
Total non-audit fees	**151**	140

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

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24. Joint arrangements

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

	Percentage interest	
Name of joint operation	**31 December 2016 %**	31 December 2015 %
Egyptian Pharaoh Investments[1]	**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. There are no capital commitments arising from the group's interests in the joint operation as disclosed in note 21.

25. Earnings per share ("EPS")

	31 December 2016 US cents per share	31 December 2015 US cents per share
Basic earnings per share[1]	**23.049**	4.506
Diluted earnings per share[1]	**22.935**	4.441
Basic earnings per share[2]	**18.608**	4.506
Diluted earnings per share[2]	**18.516**	4.441

(1) Before profit share.
(2) After profit share.

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 2016 US$'000	31 December 2015 US$'000
Earnings used in the calculation of basic EPS[1]	**266,008**	51,570
Earnings used in the calculation of basic EPS[2]	**214,755**	51,570

(1) Before profit share.
(2) After profit share.

	31 December 2016 Number	31 December 2015 Number
Weighted average number of ordinary shares for the purpose of basic EPS	**1,154,085,388**	1,144,499,697

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 2016 US$'000	31 December 2015 US$'000
Earnings used in the calculation of diluted EPS[1]	**266,008**	51,570
Earnings used in the calculation of diluted EPS[2]	**214,755**	51,570

(1) Before profit share.
(2) After profit share.

	31 December 2016 Number	31 December 2015 Number
Weighted average number of ordinary shares for the purpose of basic EPS	**1,154,085,388**	1,144,499,697
Shares deemed to be issued for no consideration in respect of employee options	**5,755,404**	16,649,502
Weighted average number of ordinary shares used in the calculation of diluted EPS	**1,159,840,792**	1,161,149,199

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

26. 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 2016 US$'000	31 December 2015 US$'000
Cash and cash equivalents	**399,873**	199,616

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

	31 December 2016 US$'000	31 December 2015 US$'000
Profit for the year	**266,008**	51,570
Add/(less) non-cash items:		
Depreciation/amortisation of property, plant and equipment	**106,973**	94,051
Increase/(decrease) in provisions	**6,458**	11,231
Foreign exchange rate (gain)/loss	**(4,312)**	(3,471)
Impairment (reversal of)/loss on available-for-sale financial assets	**45**	(526)
Impairment of exploration and evaluation assets	**122**	6,294
Share-based payments expense	**2,478**	2,350
Changes in working capital during the period:		
(Increase)/decrease in trade and other receivables	**(1,085)**	1,188
(Increase)/decrease in inventories	**(1,787)**	5,853
Decrease in prepayments	**2,302**	549
Decrease/(increase) in trade, tax and other payables	**(2,391)**	16,722
Cash flows generated from operating activities	**374,811**	185,811

(c) Non-cash financing and investing activities

During the year there have been no non-cash financing and investing activities.

27. Financial instruments

(a) Group risk management

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

The group has no debt and thus not geared at the 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 18 and 19. The group operates in Australia, Jersey, Egypt, Burkina Faso and Côte d'Ivoire. 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 Mine in Egypt, and the exploration projects in Burkina Faso and Côte d'Ivoire.

Categories of financial assets and liabilities

	31 December 2016 US$'000	31 December 2015 US$'000
Financial assets		
Available-for-sale assets	**130**	163
Cash and cash equivalents	**399,873**	199,616
Trade and other receivables	**24,870**	23,784
	424,873	223,563
Financial liabilities		
Trade and other payables	**47,991**	47,138

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

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27. Financial instruments continued

(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 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. 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 2016 US$'000	31 December 2015 US$'000	**31 December 2016 US$'000**	31 December 2015 US$'000	**31 December 2016 US$'000**	31 December 2015 US$'000
Financial assets						
Cash and cash equivalents	**1,303**	332	**4,114**	2,800	**705**	1,411
Available-for-sale assets	**113**	146	**17**	17	**—**	—
	1,416	478	**4,131**	2,817	**705**	1,411
Financial liabilities						
Trade and other payables	**391**	390	**628**	10,905	**7,780**	9,402
	391	390	**628**	10,905	**7,780**	9,402
Net exposure	**1,025**	88	**3,503**	(8,088)	**(7,075)**	(7,991)

The following table summarises the sensitivity of financial instruments held at the reporting date to movements in the exchange rate of the Great British pound, Egyptian pound and Australian dollar to the US 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 2016 US$'000	31 December 2015 US$'000	**31 December 2016 US$'000**	31 December 2015 US$'000
US$/GBP increase by 10%	**(81)**	(35)	**(10)**	(13)
US$/GBP decrease by 10%	**81**	35	**10**	13
US$/A$ increase by 10%	**(314)**	737	**(2)**	(1)
US$/A$ decrease by 10%	**314**	(737)	**2**	1
US$/EGP increase by 10%	**639**	726	**—**	—
US$/EGP decrease by 10%	**(639)**	(726)	**—**	—

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 amounts shown above are the main currencies which the group is exposed to. Centamin also has small deposits in euro (US$114,553) and West African franc (US$505,182), and net payables of US$593,457 in euro and US$1,134,928 in West African franc. A movement of 10% up or down in these currencies would have a negligible effect on the assets/liabilities.

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

(d) Commodity price risk

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

(e) Interest rate risk

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

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

	Weighted average effective interest rate %	Less than one month US$'000	One to twelve months US$'000	More than twelve months US$'000	Total US$'000
31 December 2016					
Financial assets					
Variable interest rate instruments	**0.24**	**200,330**	**200,223**	**—**	**400,553**
Non-interest bearing	**—**	**24,320**	**—**	**—**	**24,320**
		224,650	**200,223**	**—**	**424,873**
Financial liabilities					
Variable interest rate instruments	**—**	**—**	**—**	**—**	**—**
Non-interest bearing	**—**	**47,991**	**—**	**—**	**47,991**
		47,991	**—**	**—**	**47,991**
31 December 2015					
Financial assets					
Variable interest rate instruments	0.22	53,471	146,093	—	199,564
Non-interest bearing	—	24,059	—	—	24,059
		77,530	146,093	—	223,623
Financial liabilities					
Variable interest rate instruments	—	—	—	—	—
Non-interest bearing	—	47,138	—	—	47,138

(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.

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27. Financial instruments continued

(f) Liquidity risk continued

	Less than one month US$'000	One to twelve months US$'000	More than twelve months US$'000	Total US$'000
31 December 2016				
Financial assets				
Variable interest rate instruments	**200,330**	**200,223**	**—**	**400,553**
Non-interest bearing	**24,320**	**—**	**—**	**24,320**
	224,650	**200,223**	**—**	**424,873**
Financial liabilities				
Variable interest rate instruments	**—**	**—**	**—**	**—**
Non-interest bearing	**47,991**	**—**	**—**	**47,991**
	47,991	**—**	**—**	**47,991**
31 December 2015				
Financial assets				
Variable interest rate instruments	53,471	146,093	—	199,564
Non-interest bearing	25,531	—	—	25,531
	79,002	146,093	—	225,095
Financial liabilities				
Variable interest rate instruments	—	—	—	—
Non-interest bearing	47,138	—	—	47,138
	47,138	—	—	47,138

(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 credit-worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The group measures credit risk on a fair value basis. The group's credit risk is concentrated on one entity, but the group has good credit checks on customers and none of the trade receivables from the customer has been past due. Also, the cash balances held in Australian dollars which are held with a financial institution with a high credit rating.

The gross carrying amount of financial assets recorded in the financial statements represents the group's maximum exposure to credit risk without taking account of the value of collateral or other security obtained.

(h) Fair value

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

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

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

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

	2016			
	Level 1	**Level 2**	**Level 3**	**Total**
Available-for-sale financial assets	**130**	**—**	**—**	**130**

	2015			
	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets	163	—	—	163

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

28. Share-based payments

Restricted share plan

The Company's shareholder approved restricted share plan ("RSP") allows the Company the right to grant Awards (as defined below) to employees of the group. Awards may take the form of either conditional share awards, where shares are transferred conditionally upon the satisfaction of performance conditions; or 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.

The awards due to be granted in June 2017 will vest following the passing of three years. Vesting will be subject to the satisfaction of the performance conditions (and the two-year holding period for 50% of the award) which will be divided into four tranches, as set out on page 104 of the directors' remuneration report. These 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.

To date the Company has granted the following conditional awards to employees of the group.

June 2015 Awards

Of the 5,145,000 awards granted on 4 June 2015 under the RSP, 3,845,000 awards remain granted to eligible participants (18 in total) and apply the following performance criteria:

- 20% of the Award shall be assessed by reference to a target total shareholder return;
- 50% of the Award shall be assessed by reference to absolute growth in earnings per share; and
- 30% of the Award shall be assessed by reference to compound growth in gold production.

June 2016 Awards

Of the 4,999,000 awards granted on 4 June 2016 under the RSP, 4,704,000 awards remain granted to eligible participants (31 in total) applying the following performance criteria:

- 20% of the Award shall be assessed by reference to a target total shareholder return;
- 30% of the Award shall be assessed by reference to mineral reserve replacement and growth;
- 20% of the Award shall be assessed by reference to compound growth in EBIDTA; and
- 30% of the Award shall be assessed by reference to compound growth in gold production.

Conditional share awards and options together constitute "Awards" under the plan and those in receipt of Awards are "Award Holders".

A detailed summary of the scheme rules is set out in the 2015 AGM proxy materials which are available at www.centamin.com. In brief, Awards will vest following the passing of three years from the date of the Award and vesting will be subject to satisfaction of performance conditions. The above measures are assessed by reference to current market practice and the remuneration committee will have regard to market practice when establishing the precise performance conditions for future 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.

Restricted share plan awards granted during the period:

Grant date	**RSP 2016** 4 June 2016
Number of instruments	4,999,000
TSR: fair value at grant date GBP[1]	0.6300
TSR: fair value at grant date US$[1]	0.9107
Reserve: fair value at grant date GBP[1]	1.0100
Reserve: fair value at grant date US$[1]	1.4600
EBITDA: fair value at grant date GBP[1]	1.0100
EBITDA: fair value at grant date US$[1]	1.4600
Gold production: fair value at grant date GBP[1]	1.0100
Gold production: fair value at grant date US$[1]	1.4600
Vesting period (years)	3.0
Expected volatility	42.14%
Expected dividend yield (%)	1.84%

(1) The vesting of 20% of the awards granted under this plan are dependent on a TSR performance condition. As relative TSR is defined as a market condition under IFRS 2 'Share-based Payments', this requires that the valuation model used takes into account the anticipated performance outcome. We have therefore applied a Monte-Carlo simulation model. The simulation model takes into account the probability of performance based on the expected volatility of Centamin and the peer group companies and the expected correlation of returns between the companies in the comparator group. The remaining 80% of the awards are subject to reserve, EBITDA and gold production performance conditions. As these are classified as non-market conditions under IFRS 2 they do not need to be taken into account when determining the fair value. These grants have been valued using a Black-Scholes model. The fair value calculated was then converted at the closing GBP:US$ foreign exchange rate on that day.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 December 2016

28. Share-based payments continued

Deferred bonus share plan ("DBSP")

In 2012, the Company implemented the DBSP, which is a long term share incentive arrangement for senior management (but not executive directors) and other employees (participants).

On 4 June 2013, the group offered to both the beneficiaries of the shares awarded under the Employee Loan Funded Share Plan ("ELFSP") and to the majority of the beneficiaries of the options granted under the Employee Option Scheme ("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 award of the deferred shares will not have any performance criteria attached. They will however be subject to a service period.

DBSP awards granted during the period:

Grant date	DBSP 2016 4 June 2016
Number of instruments	1,200,000
Share price/fair value at grant date GBP[1]	1.0600
Share price/fair value at grant date US$[1]	1.5323
Vesting period (years)[2]	1-3
Expected dividend yield (%)	n/a

(1) The fair value of the shares awarded 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.
(2) Variable vesting dependent on one to three years of continuous employment.

Historic plans

The historic plans, namely the Executive Directors' Loan Funded Share Plan ("EDLFSP") and ELFSP 2011 EOS are no longer in use and all shares awarded have either being forfeited, lapsed or transferred to other schemes. The residual accrual in relation to these schemes has been expensed to the consolidated statement of comprehensive income.

29. 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 2016 US$	31 December 2015 US$
Short term employee benefits	8,011,016	6,184,750
Long term employee benefits	—	—
Post-employment benefits	7,764	22,025
Share-based payments	2,310,743	1,810,805
	10,329,523	8,017,580

30. 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 22.

Equity interests in associates and jointly controlled arrangements

Details of interests in joint ventures are disclosed in note 24.

(b) Key management personnel compensation

Details of key management personnel compensation are disclosed above in note 29.

(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 ended 31 December 2016 are as follows:

31 December 2016	Balance at 1 January 2016	Granted as remuneration ("DBSP")	Granted as remuneration ("RSP")	Net other change[1]	Balance at 31 December 2016
J El-Raghy[2]	71,445,086	—	—	(17,595,714)	53,849,372
T Schultz	30,000	—	—	—	30,000
G Haslam	102,056	—	—	—	102,056
M Arnesen	49,000	—	—	—	49,000
M Bankes	150,000	—	—	—	150,000
A Pardey	2,968,800	—	690,000	(966,199)	2,692,601
R Jerrard	—	—	875,000	—	875,000
Y El-Raghy	780,633	—	140,000	(51,103)	869,530
T Smith	675,000	—	160,000	(175,000)	660,000
A Davidson	620,000	—	210,000	(30,000)	800,000
L Gregory	430,000	—	150,000	(80,000)	500,000
D Le Masurier	500,000	—	160,000	(120,000)	540,000
H Brown	650,000	—	60,000	(250,000)	460,000

(1) "Net other change" relates to the on-market acquisition or disposal of fully paid ordinary shares.
(2) Includes the El-Raghy family.

Since 31 December 2016 to the date of this report there have been no transactions notified to the Company under DTR 3.1.2.R.

The details of the movement in key management personnel equity holdings of fully paid ordinary shares in Centamin plc during the financial period ended 31 December 2015 are as follows:

31 December 2015	Balance at 1 January 2015	Granted as remuneration ("DBSP")	Granted as remuneration ("RSP")	Net other change[1]	Balance at 31 December 2015
J El-Raghy[2]	71,445,086	—	—	—	71,445,086
T Schultz	30,000	—	—	—	30,000
G Haslam	102,056	—	—	—	102,056
M Arnesen	15,000	—	—	34,000	49,000
M Bankes	150,000	—	—	—	150,000
K Tomlinson	24,400	—	—	—	24,400
A Pardey	2,185,000	—	900,000	(116,200)	2,968,800
Y El-Raghy	637,414	—	200,000	(56,781)	780,633
T Smith	300,000	—	400,000	(25,000)	675,000
A Davidson	450,000	—	200,000	(30,000)	620,000
L Gregory	300,000	—	150,000	(20,000)	430,000
D Le Masurier	300,000	—	200,000	—	500,000
H Brown	550,000	—	100,000	—	650,000

(1) "Net other change" relates to the on market acquisition or disposal of fully paid ordinary shares.
(2) Includes the El-Raghy family.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 December 2016

30. Related party transactions continued

(d) Key management personnel share option holdings

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

(e) Other transactions with key management personnel

The related party transaction for the year ended 31 December 2016 is 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$69,600 or US$51,710 (31 December 2015: A$62,595 or US$46,820).

(f) Transactions with the government of Egypt

Royalty costs attributable to the government of Egypt of US$20,574,673 (2015: US$15,197,860) were incurred in 2016.

Profit share to EMRA of US$51,253,333 wasincurred in 2016.

(g) Gold sales agreement

On 20 December 2016, SGM entered into a contract with the Central Bank of Egypt ("CBE"). The agreement provides that the parties may elect, on a monthly basis, for the CBE to supply SGM with its local Egyptian currency requirements for that month (approximately EGP50 million). In return, SGM will provide the equivalent amount in US dollars to purchase refined gold bullion from SGM's refiner, Asahi Refining, on CBE's behalf. This transaction has been entered into as SGM requires local currency for its operations in Egypt (it receives its revenue for gold sales in US dollars). No transactions have been entered into at the date of this report, pursuant to this agreement.

(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.

31. Dividends per share

The dividends paid in 2016 were US$46,072,599 and are reflected in the consolidated statement of the changes in equity for the period (2015: US$33,786,831).

A final dividend in respect of the year ended 31 December 2016 of 13.5 US cents per share, totalling US$155,534,578 has been proposed by the board of directors and is subject to shareholder approval at the annual general meeting on 21 March 2017. These financial statements do not reflect this dividend payable.

32. Subsequent events

As referred to in note 31 subsequent to the year end, the board of directors announced a final dividend for 2016 of 13.5 US cents per share. Subject to shareholder approval at the annual general meeting on 21 March 2017, the final dividend will be paid on 31 March 2017 to shareholders on the record date of 3 March 2017.

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 company number 109180. The Company conducts limited activity in its own right, with certain of the subsidiary entities carrying out exploration, development and mining activity. Details of all subsidiaries are listed in note 22 to the financial statements.

The Company's principal asset, the Sukari Gold Mine, 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 member's 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 corporate body 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 2016 and those held by trustees pursuant to the Company's share plans.

	As at 31 December 2016
Issued capital (including shares issued and held under the DBSP)	1,152,107,984
Total shares in issue under the DBSP	2,109,710

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 notes 18 and 19 to the financial statements.

COMPANY LEGAL FORM AND STRUCTURE continued

Substantial shareholders

Based on shareholder disclosures 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:

Name	Shareholding	% holding
BlackRock Inc.	172,374,768	14.96
VanEck Inc.	71,501,833	6.49
Aberdeen Asset Management Group	60,348,271	5.48
Josef El-Raghy[2]	53,849,372	4.67
Dimensional Fund Advisors	49,622,555	4.51
Norges Bank Investment Management	35,178,526	3.19
Majedie Investments	34,562,322	3.14

(1) Information at 30 December 2016.
(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.

Listing rules

UK listed companies must report in accordance with LR 9.8.4 R. In compliance with LR 9.8.4 (12) Computershare Nominees (Channel Islands) Limited waived its entitlement to dividends in respect of the unvested shares held by it pursuant to the Company's deferred bonus share plan. In accordance with LR 9.8.4 (13) Computershare Nominees (Channel Islands) Limited has agreed to waive future dividends in respect to unvested shares under the deferred bonus share plan. There are no other disclosures to report under LR 9.8.4 R.

Dividend policy

Centamin announced its dividend policy on 16 May 2014 which was based on the financial condition of, and outlook for, the Company and its cash flow and financing needs. An updated dividend policy was announced by the Company on 9 January 2017, and is noted below:

"The Company's dividend policy sets a minimum pay-out level relative to cash flow while considering the financial condition of, and outlook for, the Company. When determining the amount to be paid the board will take into consideration the underlying profitability of the Company and significant known or expected funding commitments. Specifically, the board will aim to approve an annual dividend of at least 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 2016:

2016 interim dividend

An interim dividend of 2 US cents per share on Centamin plc ordinary shares (totalling approximately US$23 million) was declared on 10 August 2016. The interim dividend for the half-year period ending 30 June 2016 was paid on 7 October 2016 to shareholders on the register on the record date of 9 September 2016.

2016 final dividend

A final dividend of 13.5 US cents per share on Centamin plc ordinary shares (totalling approximately US$155.5 million) was proposed by the directors on 1 February 2017. The final dividend for the financial year ended 31 December 2016 will be paid on 31 March 2017 to shareholders on the register on the record date of 3 March 2017, subject to approval at the AGM on 21 March 2017. The ex-dividend date is 2 March 2017 for LSE listed shareholders and 1 March 2017 for TSX listed shareholders.

Summary table of dividends declared by Centamin plc

	2016	2015	2014
Interim	**Declared on:** 10 August 2016 **Amount:** 2.00 US cents per share **Paid on:** 7 October 2016 **Total:** approximately US$23 million	**Declared on:** 12 August 2015 **Amount:** 0.97 US cents per share **Paid on:** 9 October 2015 **Total:** approximately US$11 million	**Declared on:** 14 August 2014 **Amount:** 0.87 US cents per share **Paid on:** 3 October 2014 **Total:** approximately $10 million
Final	**Proposed on:** 1 February 2017 **Declared date:** 21 March 2017 **Amount:** 13.5 US cents per share **To be paid on:** 31 March 2017 **Total:** approximately US$155.5 million	**Declared on:** 11 May 2016 **Amount:** 1.97 US cents per share **Paid on:** 27 May 2016 **Total:** approximately US$22.7 million	**Declared on:** 18 May 2015 **Amount:** 1.99 US cents per share **Paid on:** 29 May 2015 **Total:** approximately $22.7 million

AGM

All shareholders are encouraged to attend our AGM on 21 March 2017, which will be held in Jersey. This will be an excellent opportunity to meet members of the team.

Financial calendar

21 March 2017	Annual general meeting to be held in Jersey
10 April 2017	Q1 2017 preliminary production results
3 May 2017	Results for the quarter ended 31 March 2017
10 July 2017	Q2 2016 preliminary production results
3 August 2017	Results for the quarter ended 30 June 2017
9 October 2017	Q3 2016 preliminary production results
2 November 2017	Results for the quarter ended 30 September 2017

Company details

Centamin plc (LSE:CEY, TSX:CEE)
ISIN: JE00B5TT1872
LEI: 213800PDI9G7OUKLPV84
Company number: 109180

GLOSSARY

AFS
available-for-sale financial assets

AIF
Annual Information Form

AISC
all-in sustaining costs

Alecto
Alecto Minerals plc

AML
Ampella Mining Limited

AN
ammonium nitrate

ARE
Arab Republic of Egypt

ASIC
Australian Securities Investments Commission

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

CBE
Central Bank of Egypt

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

E&E
exploration and evaluation

EDLFSP
executive director loan funded share plan

EGPC
The Egyptian General Petroleum Corporation

ELFSP
employee loan funded share plan

EMRA
Egyptian Mineral Resource Authority

EOS
employee option scheme

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

FVTPL
financial liabilities at fair value

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

GST
goods and services tax

g/t
gram per metric tonne

HOD
heads of department

IFRS
International Financial Reporting Standards

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

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

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

LFSP
loan funded share plan

LTI
lost time due to injury

LTIFR
lost time injury frequency rate

MAR
Market Abuse Regulation

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

MTIFR
medical treatment injury frequency

Mtpa
million tonnes per annum

NCI
non-controlling interest

NED
non-executive director

net production surplus or profit share
revenue less payment of the 3% royalty to Arab Republic of Egypt ("ARE") and recoverable costs

Nyota
Nyota Minerals plc

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

PPE
property, plant and equipment

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

R&R
resources and reserves

ROM
run of mine

RSP
restricted share plan

SEDAR
system for electronic document analysis and retrieval

SGM
Sukari Gold Mines

SNED
senior independent non-executive director

TOFA
taxation of financial arrangements

VAT
value added tax

ADVISERS

Registrar services

Jersey, Channel Islands

Computershare Investor Services (Jersey) Plc
Queensway House
Hilgrove Street
St Helier
Jersey JE1 1ES

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100 University Avenue
8th Floor
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FORWARD-LOOKING STATEMENTS

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

Cautionary note regarding forward-looking statements

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

Forward-looking statements involve known and unknown risks, uncertainties and a variety of material factors, many of which are beyond the Company's control which may cause the actual results, performance or achievements of Centamin, its subsidiaries and affiliated companies to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Readers are cautioned that forward-looking statements may not be appropriate for other purposes than outlined in this document. Such factors include, among others, future price of gold; general business, economic, competitive, political and social uncertainties; the actual results of current exploration and development activities; conclusions of economic evaluations and studies; fluctuations in the value of the US dollar relative to the local currencies in the jurisdictions of the Company's key projects; changes in project parameters as plans continue to be refined; possible variations of ore grade or projected recovery rates; accidents, labour disputes or slow-downs and other risks of the mining industry; climatic conditions; political instability, insurrection or war, civil unrest or armed assault; labour force availability and turnover; delays in obtaining financing or governmental approvals or in the completion of exploration and development activities; as well as those factors referred to in the section entitled risk management of this 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.

Please refer to the technical report entitled "Mineral Resource and Reserve Estimate for the Sukari Gold Project, Egypt" effective on 30 June 2015 and issued on 23 October 2015 and filed on SEDAR at www.sedar.com, for further discussion of the extent to which the estimate of mineral resources/reserves may be materially affected by any known environmental, permitting, legal, title, taxation, socio-political, or other relevant issues as well as details of the qualified persons and quality control.

Information of a scientific or technical nature in this document have been prepared by qualified persons, as defined under the Canadian NI 43-101.

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