CENTAMIN

Annual report 2017

DELIVERING SUSTAINABLE RETURNS

User guide

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These are explained below.

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

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

INVESTMENT SUMMARY

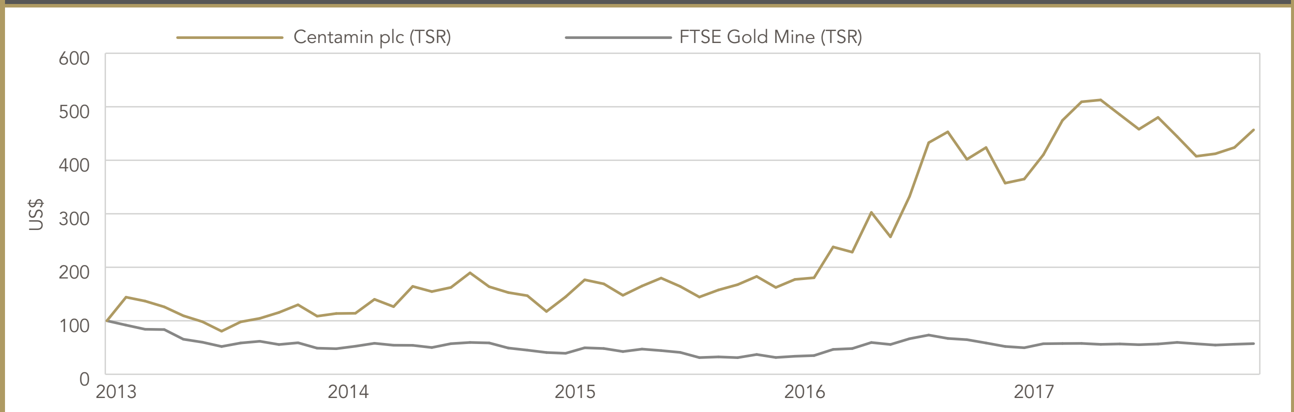
Centamin plc is a leading mineral exploration, development and mining company dual listed on the London and Toronto stock exchanges. It is a constituent of the FTSE 250 Index.

CENTAMIN

Centamin's principal asset, the Sukari Gold Mine ("Sukari"), began production in 2009 and is the first modern mechanised gold mine in Egypt, with an estimated 20 year mine life and forecast to produce 580,000 ounces in 2018.

The Company has established a longstanding track record of strong operational and financial performance, maximising free cash flow generation 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 US$100 was invested on 31 December 2012.

Front cover image shows mining engineer in the Cleopatra development drive.

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

STRATEGIC REPORT

DIRECTORS' REPORT

FINANCIAL STATEMENTS

SHAREHOLDER INFORMATION

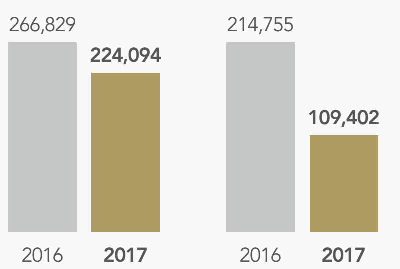
FINANCIAL HIGHLIGHTS

Free cash flow generation is the fundamental driver of the business, allowing the Company to prioritise stakeholder returns.

REVENUE
(US$'000)

2017 TOTAL[4]
US$676m
2016: US$687m

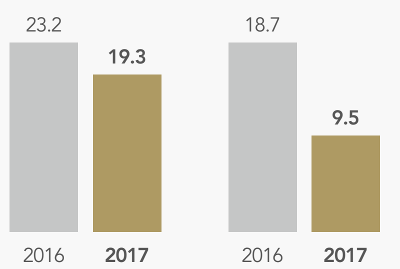
PROFIT FOR THE YEAR
Before tax (US$'000)[1] | After EMRA profit share (US$'000)[1]



2017 TOTAL[1,4]
US$224m
2016: US$267m

2017 TOTAL[1,4]
US$109m
2016: US$215m

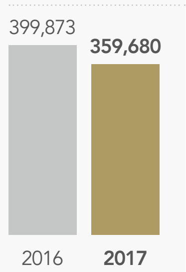
EARNINGS PER SHARE
Before profit share (US cents per share)[1] | After profit share (US cents per share)[1]



2017 EPS BEFORE PROFIT SHARE
19.3c
2016: 23.2c

2017 EPS AFTER PROFIT SHARE
9.5c
2016: 18.7c

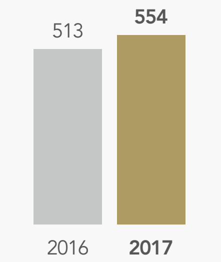
CASH BALANCES
Cash and cash equivalents at the year end (US$'000)



2017 TOTAL[4]
US$360m
2016: US$400m

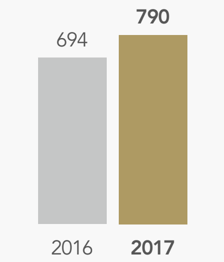
ALTERNATIVE PERFORMANCE MEASURES[2,3]

CASH COST OF PRODUCTION
(US$ per ounce)[1,2]



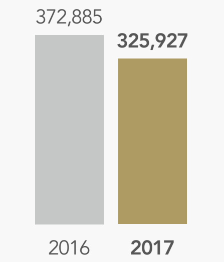
2017 TOTAL
US$554/oz
2016: US$513/oz

ALL-IN SUSTAINING COST
(US$ per ounce)[1,2]



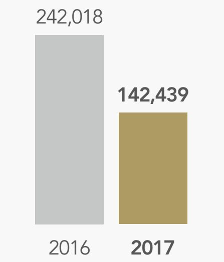
2017 TOTAL
US$790/oz
2016: US$694/oz

EBITDA
(US$'000)[1]



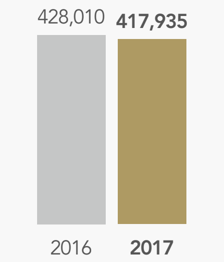
2017 TOTAL [1]
US$326m
2016: US$373m[1,4]

FREE CASH FLOW
(US$'000)[2]



2017 TOTAL
US$142m
2016: US$242m[2,4]

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



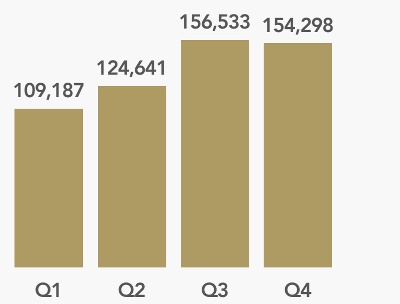
2017 TOTAL[3,4]
US$418m
2016: US$428m

(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 cost, EBITDA and free cash flow are non-GAAP financial performance measures with no standard meaning under GAAP. Please see the financial review on page 74 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) 2017 totals have been rounded to the nearest US$million. All amounts in the 2017 annual report are in US$ unless otherwise indicated.

OPERATIONAL HIGHLIGHTS

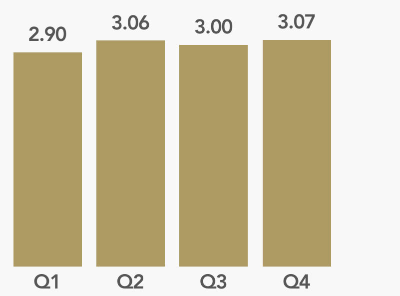
This year marked another great year of operational milestones, as a result of our uncompromised commitment to continuous improvements to productivity and efficiency.

2017 QUARTERLY PRODUCTION
(ounces gold)



2017 TOTAL PRODUCTION (ounces gold)
544,658
2016: 551,036

2017 QUARTERLY ORE PROCESSED
(million tonnes)

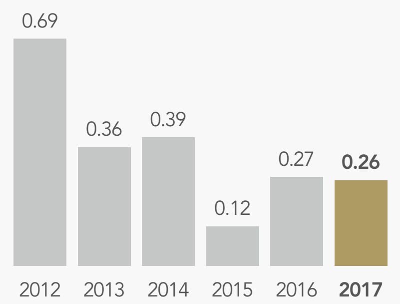


2017 TOTAL ORE PROCESSED (million tonnes)
12.03
2016: 11.56

SUKARI GOLD MINE OPERATIONS

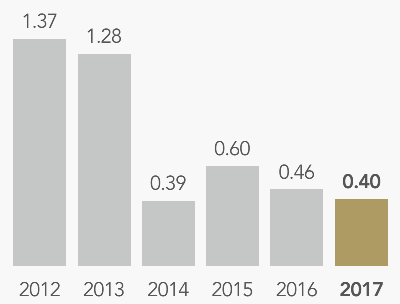
- Annual production exceeded 540,000 ounce guidance
- Record annual open pit production of 70.9Mt mined
- Excellent underground performance with 1.14Mt ore mined at 8.28g/t
- Record annual plant throughput 12.03Mt
- Average head grade 1.57g/t
- Metallurgical recovery 88.1%

LOST TIME INJURY FREQUENCY RATE
(per 200,000 working hours)



2017 ("LTIFR")
0.26 (Global LTIFR 0.22)
2016: 0.27

MEDICAL TREATMENT INJURY
(per 200,000 working hours)



2017 ("MTIFR")
0.40
2016: 0.46

SUSTAINABILITY TARGETS

- Zero fatalities
- A year-on-year decrease in LTIFR
- Zero severe or major consequence environmental incidents
- A year-on-year increase in water recycling
- Year-on-year reduction in GHG emissions per tonne milled
- Increase in total community investment

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INVESTMENT PROPOSITION

Centamin is a robust business with excellent long term sustainable production and significant untapped reserve and resource potential across its portfolio of assets.

LONG TERM SUSTAINABILITY

(year ended 31 December 2017)

- Sukari is a large-scale (544,658oz), bulk tonnage (70.9Mt mined; 12.0Mt processed), long-life (at least 20 years from open pit), low cost mine (cash costs US$554/oz, AISC US$790/oz)
- Strong all-in sustaining margins (US$471/oz) and return on capital throughout the cycle
- Debt-free, cash and liquid assets of US$418 million

PRIORITISING STAKEHOLDER RETURNS

- Maximising cash flow generation (US$359 million)
- Landmark first full year profit share: US$112 million paid to Egyptian government stakeholder in 2017
- Maintained fourth successive year paying an interim (2.5 cents per share) and proposed full year dividend (10 cents per share), totalling 12.5 cents per share for 2017 (totalling US$144 million) subject to AGM approval
- 100% free float with strong liquidity (circa 14 million shares traded per day), as supported by regular investor relations programmes ensuring clear communication of the Company strategy to stakeholders

OPTIMAL GROWTH

- High-grade underground production growth potential from Cleopatra decline development access and ongoing resource definition drilling as the orebody remains open at depth and along strike
- Forecasted ramp up in plant throughput with the installation of the fourth secondary crusher
- 'Explore to develop': highly prospective district scale West African land package
  - Resource upgrade at the Doropo Project – 1.35Moz indicated @ 1.33g/t and 0.9Moz inferred @ 1.2g/t
  - Discovery at the ABC Project, 12km gold mineralised strike, and open along the contact zone between the Archaean shield and Birrimian domain
  - 2018 targeted exploration spend in West Africa of circa US$22 million

SOCIAL RESPONSIBILITY

- Priority towards safety for our workforce and developing their skills
- Contributing positively to the local economy and environment
- Initiative to improve reporting towards Global Reporting Initiative ("GRI") standards
- The board has approved the preparation of a feasibility study for the installation of a 15MW solar power plant on site at Sukari as a lower cost, clean energy alternative for diesel fuel

ESTABLISHED TRACK RECORD

- Produced 2.9Moz since first gold pour in 2009, at an average cash cost of circa US$614/oz
- Technical expertise: from mine site to board of directors, extensive operational experience within the industry and more specifically building and expanding Sukari
- Resource growth: creating value from discovery to 11.7Moz mineral resource (as at 30 June 2017), supporting greater than 20 year life of mine open pit production profile
- Operational growth: creating value through the original Stage 1 development of 4Mtpa processing capacity to in excess of 12Mtpa

ATTRACTIVE INVESTMENT

- Proposed final dividend of 10 cents per share (US$115 million)
- Robust balance sheet with no debt, and cash and liquid assets of US$418 million(1)
- All shares are publicly traded on the London Stock Exchange and Toronto Stock Exchange
- FTSE 250 Index constituent
- Strong stock market trading liquidity

(1) 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.

History:

Jun 1995	The 160km² Concession Agreement came into effect following declaration as Egyptian Law no. 222
Sep 2000	Defined first JORC resource
May 2005	Exploitation lease awarded
Apr 2007	Listed on the Toronto Stock Exchange (ticker: CEE)
Jun 2007	Completed Stage 1 development, 4Mtpa processing plant
Jun 2009	First gold pour (2.9Moz produced, as at 31 December 2017)
Nov 2009	Migrated to the Main Board of the London Stock Exchange (ticker: CEY)
Sep 2013	Completed Stage 4 processing plant expansion to 10Mtpa
Feb 2014	All-share takeover of Australian listed Ampella Resources
Aug 2014	Maiden interim dividend declared
Dec 2015	Annualised production targets of 450,000 to 500,000 ounces
Dec 2016	Annualised production targets over 500,000 ounces with production rates exceeding 11Mtpa

Achieved in 2017:

Operational

- Further reductions in LTIFR – 2017: 0.26 per 100,000 hours
- Production guidance exceeded for the third consecutive year – 2017: 544,658oz
- Record material mined – 2017: 70.9Mt, a 14% increase on the prior year
- Record processing plant throughput – 2017: 12.03Mt, a 4% increase on the prior year
- Further optimisation of the plant including upgrades to the Sukari elution circuit

Financial

- Control over costs with cash cost guidance improvements over the last three consecutive years – 2017: US$554/oz
- AISC in line with guidance for 2017: US$790/oz
- Cash and liquid assets at 31 December 2017 of US$418 million(1)
- Transition from full project cost recovery to profit share with EMRA, our Egyptian government stakeholders
- Fourth consecutive dividend payout, with a proposed full year dividend of 10 cents per share representing a payment of 100% of free cash flow for 2017

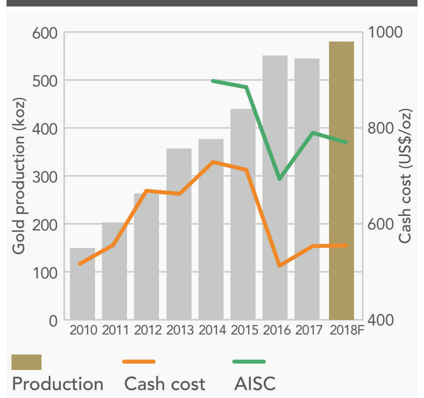
Exploration

- Excellent underground reserve growth:
  - 51% increase in high-grade underground reserve ounces to 0.8Moz
  - 74% increase in underground reserve tonnes to 4.7Mt
- Doropo Project, Côte d'Ivoire, updated JORC resource estimate of 1.35Moz indicated and 0.9Moz inferred
- ABC Project, Côte d'Ivoire, delineation of an outcropping 12km gold mineralised structure

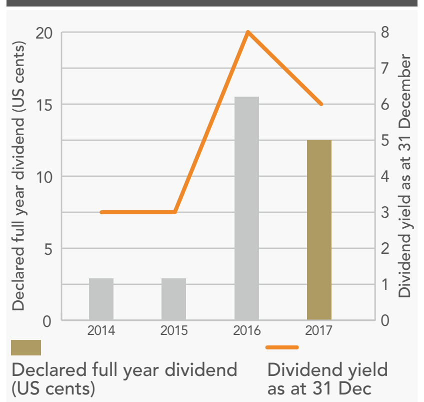
Corporate governance

- Internal promotion of Ross Jerrard, CFO, to the board of directors
- External appointment of Alison Baker as non-executive director
- External appointment of Mark Morcombe as chief operating officer
- Planned appointment of an independent non-executive chairman in 2018
- Staged rotation of non-executive directors

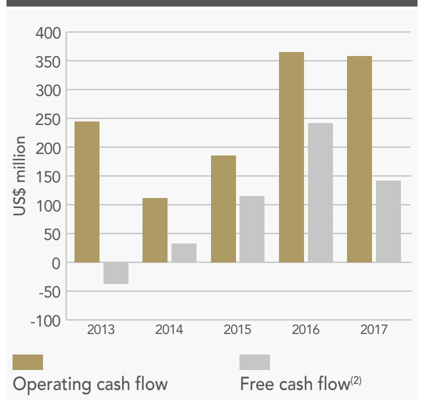
PRODUCTION GROWTH



DIVIDEND YIELD



GROUP CASH FLOW GENERATION



(1) Includes cash and cash equivalents, bullion on hand, gold sales receivables and available-for-sale financial assets.

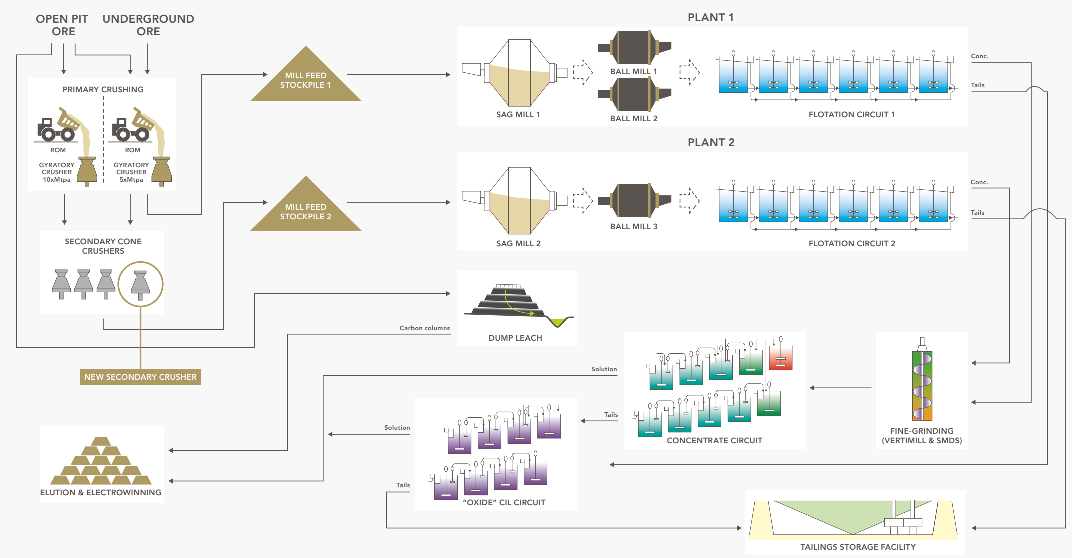
(2) Free cash flow in a non-GAAP measure defined as net cash generated by operating activities, less net cash used in investing activities, less EMRA profit share paid (cash). Please see the financial review for details of non-GAAP measures.

CENTAMIN AT A GLANCE

In its eighth year of commercial production, Sukari enjoyed another strong year, producing 544,658oz, exceeding our guidance of 540,000oz.

Sukari Gold Mine process plant

Sukari Gold Mine process diagram



Production

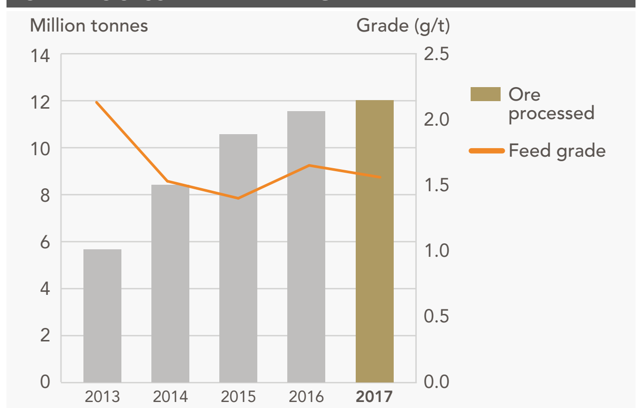
Operational excellence is fundamental to our business. Continued drive for productivity and efficiency resulted in achieving record throughput, reflecting the ongoing improvement on availability and productivity of the circuit.

Processing plant

The Sukari plant processed 12.0Mt of ore in 2017, a 4% increase on the prior year (11.6Mt in 2016). Metallurgical recoveries of 88.1% was a decrease from 89.4% in 2016. Installed additional elution capacity, and ongoing optimisations include automating the flotation circuit, both of which we expect to lift recoveries back up to target of 90%.

LOCATION OF THE SUKARI GOLD MINE

ORE PROCESSED AND FEED GRADE



Open pit

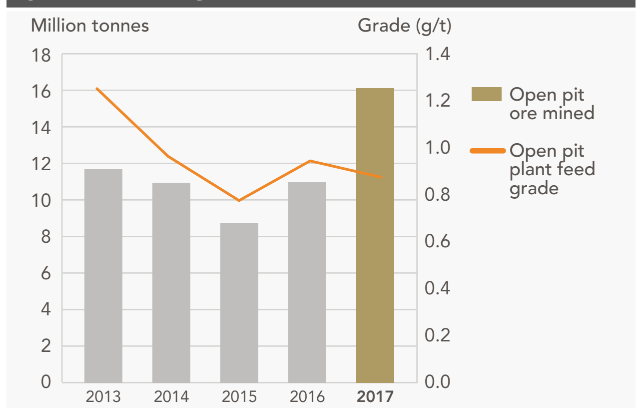
The open pit delivered 70.9Mt of total material movement in 2017, a 14% increase on the prior year (62.2Mt in 2016). Ore mined of 16.1Mt at an average grade of 0.66g/t (10.95Mt at 0.93g/t in 2016) including 4.0Mt of material sent to the dump leach ponds at a grade of 0.29g/t (0.12Mt at 0.21g/t in 2016). This increase was related to improved mining productivity and equipment utilisation.

Underground

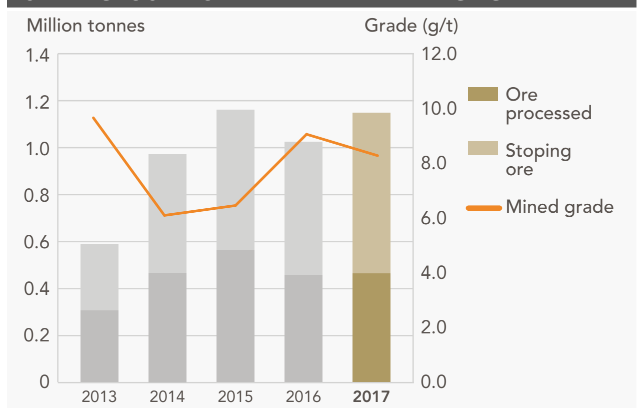
Ore production from the underground mine was 1.14Mt, a 12% increase on the prior year (1.02Mt in 2016), at an average head grade of 8.28g/t. In 2018, we forecast ramping up underground ore production to 1.3Mt, a projected 13% increase on 2017.

A total of 6,943 metres of development was completed, of which 5,490 metres was mineralised (3,839 metres in the Amun area, and 1,651 metres in the Ptah area) and associated with stoping blocks to be mined over the coming years.

OPEN PIT MINING



UNDERGROUND ORE MINED AND AVERAGE GRADE



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CENTAMIN AT A GLANCE continued

Sukari – production upside potential

Our updated Mineral Reserve and Resource statement of total reserves of 8.0Moz and Measured and Indicated Resources of 11.7Moz, as at 30 June 2017, reiterated the long term sustainability of the Sukari open pit and the further expansion opportunities for the high-grade underground operations.

Sukari Gold Mine orebody diagram

Open pit operation at Sukari Gold Mine

Processing

Plant throughput: current forecast processing rates of 12.3Mtpa, with potential to exceed a throughput of 12.5Mtpa with ongoing process optimisation.

Plant recovery: current forecast metallurgical recoveries of 89%, with potential to sustain circa 90% with ongoing processing optimisation.

Open pit

Fleet capacity: the mining fleet has total capacity above current forecast rates of 75Mtpa and therefore offers the potential to further improve scheduling of open pit ore.

Underground

Infrastructure capacity: current forecast ore mining rates of 1.3Mtpa, with theoretical capacity to reach circa 1.5Mtpa from the existing Amun and Ptah declines as development progresses.

Decline development: Horus and Amun decline development provides future access to lower Amun/Osiris and Ptah zones. Cleopatra decline at the north-eastern region of Sukari Hill has capacity to support mining rates of up to 1Mtpa. Ultimate production rates will depend on results from the ongoing exploration drilling programme.

Reserve

Excellent underground reserve replacement supports our expectation for further reserve growth over the coming years as underground development and exploration continues.

Sukari mineral reserve and resource estimate highlights (as at 30 June 2017)

- Total mineral reserve estimate of 8.0Moz gold, with an increase in underground reserves offsetting total mining production of 1Moz from 30 June 2015 to 30 June 2017:
  - 7.2Moz gold open pit reserves, including stockpiles, underpinning more than 20 years of sustainable production at current mining rates;
  - 159Mt at a grade of 1.0g/t in proven open pit reserves, with 70% of in-pit reserves now in the highest confidence reserve classification compared to 57% as at 30 June 2015;
  - 0.8Moz Au at 4.5g/t of underground proven and probable reserves, including development ore (0.6Mt at 0.9g/t), a 51% increase in ounces;
  - 0.8Moz Au at 5.1g/t underground proven and probable reserves, excluding development ore;
  - 4.7Mt of underground reserve tonnes, a 74% increase.
- Total measured and indicated mineral resource estimate of 11.7Moz Au:
  - 1.6Moz Au of underground resources, a 60% increase;
  - 7.4Mt of underground resource tonnes, a 59% increase in tonnes with grade maintained at 6.8g/t;
  - 1.9Mt at 8.9g/t in measured underground resources, a 37% increase in grade.

Sukari – reserve and resource

	Tonnes ('000)	Grade (g/t Au)	Gold (Moz)
Sukari mineral reserve			
Proven and probable			
– open pit	229	1.00	7.0
– inc. stockpiles (Proven)	239	0.93	7.2
– underground	4.7	5.1	0.8
– inc. development (Probable)	5.4	4.5	0.8
Total mineral reserves	**244**	**1.00**	**8**
Sukari mineral resource			
Measured and indicated	385	0.95	11.75
Inferred	25	0.80	0.64

The effective date of the reserve and resource statement is 30 June 2017, in accordance with NI 43-101.
Totals may not equal the sum of the components due to rounding adjustments.
Based on open pit mined surface as at 30 June 2017, underground mine workings as at 30 June 2017, and a gold price of US$1,300 per ounce.
Mineral resources are reported inclusive of those resources converted to proven and probable mineral reserves.

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CENTAMIN AT A GLANCE
continued

Exploration focused growth

Centamin has an excellent exploration track record and 2017 was no different.

Engineer monitoring the power station at Sukari Gold Mine

Exploration drilling in West Africa

Sukari exploration

Drilling from underground remains a focus of the Sukari exploration programme as ongoing development improves access to define the potential high-grade extensions of the deposit. The Sukari orebody remains open at depth and further underground drilling will take place during 2018.

During 2017, development of the Cleopatra decline, within the north-eastern Cleopatra zone of Sukari, continued with 1,486 metres of decline development completed. The Cleopatra decline infrastructure is engineered to support mining rates of up to 1Mtpa from this area, in addition to the current underground ore production from the Amun and Ptah declines. Actual mining rates will depend on the results from the development and exploration drilling programme currently underway.

There are four exploration rigs allocated to focus on underground reserve replacement and resource expansion drilling as the orebody remains open in multiple directions. Two rigs are allocated to Cleopatra and two for the Amun, Ptah and Horus regions.

Within the wider 160km^2 Sukari exploitation lease, a number of additional prospect areas have been identified by reconnaissance field work, including geophysical and geochemical surveys and, where appropriate, preliminary 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.

We believe in the regional prospectivity within Côte d'Ivoire such that we are looking to double our existing 3,231km^2 footprint, with a further 3,187km^2 under application.

Exploration during 2018 will be aimed at resource expansion and infill drilling at the Doropo Project and defining a maiden resource at the ABC Project.

Côte d'Ivoire

Centamin has made significant progress in Côte d'Ivoire during 2017, conducting both regional reconnaissance and preliminary ground work, combined with detailed wide-spaced drilling.

Further drilling at the Doropo Project in north-east Côte d'Ivoire, covering five prospects within a 5km radius, has resulted in an updated resource estimate of 1.35Moz indicated at a grade of 1.3g/t and a 0.9Moz inferred resource at a grade of 1.2g/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.

YEAR	INDICATED			INFERRED		
	Mt	Au g/t	Au Moz	Mt	Au g/t	Au Moz
2017	32.5	1.33	1.35	24.75	1.20	0.9
2016	5.8	1.62	0.30	25.39	1.26	1.03

METRES DRILLED IN CÔTE D'IVOIRE 2017	
Diamond	4,880
Reverse circulation	68,600
Air core	63,733
Auger	10,743

Burkina Faso

During 2017, the exploration programme involved a thorough review of all work that has been undertaken on the project. Drilling recommenced in December 2017, targeting extensions and parallel structures to the existing resources. Further drilling is planned during 2018, 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 IN BURKINA FASO 2017	
Diamond	0
Reverse circulation	0
Air core	12,926
Auger	39,995

CHAIRMAN'S STATEMENT

Josef El-Raghy
Chairman

The past year has seen the Company firmly consolidate its position globally as one of the leading low cost gold producers.

Dear shareholders,

On behalf of the board, it gives me pleasure to present the 2017 results.

Strength throughout the cycle

Testament to the quality of our team and the quality of our assets, the past year has seen the Company firmly consolidate its position globally as one of the leading low cost gold producers. The Sukari Gold Mine produced 544,658 ounces of gold in 2017, at cash costs of US$554/oz and all-in sustaining costs of US$790/oz at an average realised gold price of US$1,261/oz, generating US$676 million in revenue, US$326 million in EBITDA and US$224 million in pre-tax profits. Commercially in operation for eight years, Sukari has maintained year-on-year cash costs in the lowest quartile in the industry, averaging US$614/oz since commercial production commenced in 2010.

Our aim is to deliver strong performance under any market conditions. In what has been a more challenging market, Centamin's stringent cost reduction strategies and working capital efficiencies have enabled the Company to generate strong all-in sustaining margins of US$471/oz, down from US$562/oz in 2016, generating significant cash flow of US$359 million, only marginally lower than the US$366 million achieved in 2016. A 24% increase in fuel costs combined with a scheduled 30% increase in sustaining capital expenditure in 2017 (largely due to equipment rebuilds), were offset by reductions in non-sustaining exploration expenditure and cost reduction strategies delivering all-in sustaining costs of US$790/oz, exactly in line with guidance for 2017. The increase in production costs and the slight decrease in produced ounces led to an 8% increase in unit cash costs of production to US$554/oz for 2017, well below our US$580/oz guidance for 2017 and extremely competitive within the global gold industry.

Consistent strategy

Over the past 20 years the Company has been committed to building a modern gold mining industry in Egypt, a country which straddles the economic diversity of Africa and the Middle East, a strategically vital economy in a region that has been associated with several significant challenges, and a country located on one of the last remaining underdeveloped gold belts, the Arabian Nubian Shield. There have been various public views expressed about Egypt in the international arena that simply do not correlate with the experience that Centamin has had, as one of the largest foreign investors in this dynamic country. Having worked closely with Centamin since its founding, particularly with my father and family, through to today's highly experienced board, Centamin has put Egypt firmly on the map of gold exporting countries. Significantly, Sukari has produced every single commercial ounce of gold that Egypt has exported over the past eight years, which by the end of 2017 stood at over 2.9 million ounces.

Our governance principles

The board's main responsibilities are to develop, review and monitor the Company's long term business strategies and provide strategic direction to management. See page 84 for details of our main governance principles covering:

- Leadership
- Effectiveness
- Accountability
- Remuneration
- Shareholder engagement

The modern infrastructure and operations established at Sukari, supported by a minimum of a 20-year mine life with untapped underground resource upside, provide the solid foundation from which Centamin will continue to generate meaningful cash flow. Our robust balance sheet, which remains debt free, allows us to continue investing in future growth – whether that is organically across our portfolio of assets and/or through seizing value accretive opportunities which are in line with our strategic objectives.

Delivering substantial stakeholder returns

Free cash flow generation is the fundamental driver of the business, allowing the Company to prioritise stakeholder returns. The success of Sukari, which today employs over 1,350 Egyptian nationals directly and many more indirectly throughout its supply chain, is further underpinned by direct cash returns to date to the Egyptian State of US$272 million through royalties and profit share (excluding taxes on salaries, fuel and other sources of fiscal revenue). In total, the Company, with the support of its shareholders, has directly invested, and fully recovered, more than US$1.1 billion into the Egyptian economy. This simply could not have happened without the patient support of our Egyptian stakeholders, who have benefited from seeing Sukari grow from an exploration licence into one of the largest gold producing mines in the world.

In July, we declared an interim dividend of 2.5 US cents per share, a 25% increase on the 2016 interim payment. Following another year of strong operational and financial performance, including paying out US$112 million in profit share, the board of directors are delighted to propose a final dividend for 2017 of 10 US cents per share, for approval at the forthcoming annual general meeting ("AGM") on 26 March 2018. This represents a proposed total dividend of 12.5 US cents per share, full year payout of US$144 million, which is equivalent to approximately 100% of our free cash flow in 2017. This level of payment is consistent with the Company's policy of returning cash in excess of US$250-300 million that is not required for growth projects.

Board and management changes

Our commitment to robust corporate governance and the disciplined execution of our fiduciary duties forms a core pillar to Centamin and, in order to grasp the opportunities that lie in front of Centamin, the Company has striven to improve on every aspect of its business beyond simply producing profitable gold ounces and lowering cash costs. In this regard, we are delighted to welcome Alison Baker as an independent non-executive director to the board. Alison will play an important part in the ongoing development of our corporate governance initiatives. We also warmly welcome Ross Jerrard, our chief financial officer, to the board. Ross joined Centamin's senior management team in 2016 as chief financial officer, and has been instrumental in transforming our reporting systems throughout the group. Lastly, I am delighted to welcome Mark Morcombe to the senior management team, as chief operating officer ("COO"). Mark is a very accomplished, well respected mining engineer, who brings a vast amount of relevant African open pit and underground experience.

Under the strong stewardship of your CEO, Andrew Pardey, who helped build Sukari in his various roles, including as general manager and then COO, I believe that the Company is in a position of considerable strength to see sustainable and consistent growth over the coming years. The board has embarked on the process, with an executive search firm, of finding an independent non-executive chairman to succeed me. As announced recently, it is my intention to resign from my position no later than the end of December 2018, and continue my support of Centamin as a committed shareholder. I want to thank the board for their support during my tenure and I wish them well for what remains an exciting future for the Company.

On that note, I thank all shareholders for their support over the years, which has seen Centamin grow from a small Australian listed exploration company into one of the largest gold producers listed on the London and Toronto Stock Exchanges. We welcome you to attend our AGM, which will be held in Jersey on 26 March 2018. I would also like to thank all of our incredible staff whose contributions have made the Company what it is today.

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

Josef El-Raghy
Chairman

31 January 2018

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CHIEF EXECUTIVE OFFICER'S REPORT

Andrew Pardey
Chief executive officer

Process plant at Sukari Gold Mine

Underground development drive

We successfully delivered against our strategic objectives, generating significant cash flow and delivering exploration led growth.

During 2017, Centamin successfully delivered against our strategic objectives to generate significant cash flow, maintain substantial stakeholder returns, deliver exploration led growth and ensure ongoing commitment to workplace safety.

In its eighth year of commercial production, Sukari enjoyed another strong year, producing 544,658 ounces, exceeding our guidance of 540,000 ounces. Integral to this success are our people. 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 onsite health and safety development has resulted in a circa 4% reduction in lost time injury frequency rate to 0.26. We continue to take the appropriate measures in striving to achieve a zero-harm workplace.

Driving productivity

This year marked another great year of operational milestones, as a result of our uncompromised commitment to continuous improvements to productivity and efficiency.

The open pit delivered a record 70.9Mt of material mined, a 14% increase on 2016, and the processing plant achieved record throughput of 12.0Mt, up 4% on 2016. Both mining and plant throughput volumes represent the eighth successive year of growth. Throughout 2017, ongoing improvements to the operation, utilisation and availability of our fixed assets have been a key driver in achieving these milestones. For example, renewed operator training has improved productivity of the loading fleet. Furthermore, proactive, preventative maintenance and systems implementation to improve efficiency across procurement warehousing and plant and equipment maintenance throughout 2016 and 2017 has resulted in improved mining productivity throughout the year.

The increase in tonnes through the plant slightly impaired metallurgical recoveries, which were 88.1%, marginally below budget. Further optimisation on improving recoveries is underway. Projects undertaken include the installation of VisioFroth; the commissioning of a second acid wash column; an expansion of the elution circuit by installing a third elution column with supporting infrastructure and an extra electrowinning cell; an automated control monitoring system that aims to increase the flotation mass pull; reducing the CIL tailings losses with improved carbon management and carbon monitoring techniques.

Creating value through the drillbit

Centamin has an excellent exploration track record and 2017 was no different. Our updated mineral reserve and resource statement of total reserves of 8.0Moz and measured and indicated resources of 11.7Moz, as at 30 June 2017, reiterated the long term sustainability of the Sukari open pit and the further expansion opportunities for the high-grade underground operations.

Sukari underground drilling resulted in a 51% increase in underground reserves to 0.8Moz and a 74% increase in reserve tonnes to 4.7Mt Underground exploration at Amun and Ptah was very successful during 2017, identifying potential high-grade zones at Horus and demonstrating the prospectivity of the Osiris and Bast sectors within the Amun zone and the gap between Anum and Ptah respectively.

Medium term organic growth at Sukari is likely to be driven by increased underground production levels, displacing lower-grade open pit ore. In particular, the Cleopatra exploration decline was advanced during the year to establish drill platforms within Sukari to test the contact zone at the northern end of the porphyry for similar mineralisation to that currently being mined at Amun and Ptah. Initial drill results confirmed the presence of prospective structures within the porphyry which may be used to target future development of the decline and the Company reported encouraging results from the contact zone between the porphyry and the surrounding meta-sedimentary rock. Drilling continues and will, over the course of 2018, guide future development plans for Cleopatra. Even though Cleopatra is an exploration project, the decline has been built to the same specification as Amun and Ptah with potential capacity of around 1Mtpa of additional underground ore, dependent on the results of the ongoing exploration programme.

West African developments

The resource at our Doropo Project in Côte d'Ivoire has been increased from the maiden resource announced in January 2017 to 1.3Moz (contained gold) indicated and 0.95Moz inferred. This resource is located with an area of $25km^2$ and within a comfortable haul from a potential central processing facility.

The Doropo resource is located within a granite domain that had previously been dismissed as not being prospective for significant gold mineralisation. The team in Côte d'Ivoire has successfully proved its ability to define a resource area that is still open and with further geochemical anomalies in the area that still need to be drill tested for further prospective gold mineralisation. Test work has continued to confirm that the gold from this area can be extracted using conventional CIL or heap leaching methods. Whilst undertaking this work in Doropo, the team has also been very active on the ABC Project area on the west side of Côte d'Ivoire. Although at an early stage in the exploration pipeline, initial results from first pass drilling have confirmed a mineralised corridor of over 12km in strike length.

Doropo and the ABC Project have the potential to develop further as drilling continues and form part of the strong base for Centamin's exploration and development pipeline including Burkina Faso and the near mine targets at Sukari.

Strengthening established partnerships

Last year marked 22 years in partnership under our Concession Agreement with the Arab Republic of Egypt. Last year was also the first full year profit share payout to the government under our profit share arrangement. The smooth transition from US$1.1 billion project cost recovery in late 2016 to this year's first full year US$112 million profit share payout (totalling circa US$159 million paid to date), is testament to the strength of our established relationship with the Egyptian government and our excellent team and framework in place in Alexandria and Cairo, led by Youssef El-Raghy, the General Manager of Egyptian Operations.

CHIEF EXECUTIVE OFFICER'S REPORT
continued

As with any partnership, nurturing that relationship is paramount to its success. Centamin maintains regular executive and senior management contact with respective government and industry partners, establishing open lines of communication throughout our Finance, Operations and in-country Corporate Affairs departments. We would like to thank our supportive stakeholders, and we look forward to the long term relationship of substantial profit share resulting from the operation and growth of our world class asset.

The year ahead

We look forward to delivering solid growth in 2018 with gold production guidance of 580,000 ounces, a 6% increase over 2017 production, at a lower all-in sustaining cost of US$770/oz. Cash costs are expected to be US$555/oz, in line with 2017 actuals, driven by increased production offsetting expected higher fuel and reagent input costs.

With the installation of the fourth secondary crusher, we are targeting record processing plant throughput of 12.3Mt. The mine plan forecasts a relatively balanced quarter-on-quarter production profile throughout the year. The underground is scheduled to mine an increased 1.3Mt ore at a grade of 7.2g/t; comprising a 65:35 split between stoping and development ore, respectively.
The improvement in total tonnes from underground will be driven by increased stoping activities made possible by our focus on ensuring development is well advanced. Open pit mining activities will be focused on Stage 4A of the north wall. This is the predominant source of ore from the open pit over the next five years. The open pit is scheduled to move 70.5Mt of material and mine 17.7Mt ore at an overall grade of 0.70g/t including dump leach and stockpile material, with open pit feed grade in line with open pit reserve grade.

Underground exploration and development remains the key catalyst in near term organic production growth. Sukari exploration spend of over US$20 million is anticipated for 2018, with four rigs allocated to focus on underground reserve replacement and resource expansion drilling as the orebody remains open in multiple directions. The focus of our development will include the exploration decline at Cleopatra to access the high-grade western contact of the porphyry as well as expanding decline development at Amun and Ptah, to access the Horus, Bast and Osiris zones, which should drive our medium term growth strategy.

Finally, I would like to thank my colleagues for their hard work and contribution towards delivering another solid performance. Operating within a cyclical sector, in a fast changing world, Centamin has established an impressive track record of adapting, mitigating risks where appropriate, and delivering strong results. This resilience in our business model is testament to the strength of the core values your Company is built upon and the experience and expertise of the people within it.

I would also like to thank our board of directors for their continued support and guidance, in particular our chairman, Josef El-Raghy, who has announced his intention to retire at the end of 2018. As CEO and chairman over the past 15 years, Josef has built a remarkable gold company. Centamin is in a very strong financial and operational position and we respect that this year is the right time for Josef to hand over the reins to a successor as we enter the next stage of growth in 2018 and beyond.

Andrew Pardey
Chief executive officer

31 January 2018

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BUSINESS MODEL

We believe good corporate governance provides the foundation of our business model.

Value chain

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

Strategic enablers – key relationships

Fundamental to our business are relationships with employees, governments, suppliers, local communities and other stakeholders.

Strategic focus areas

We have identified four core pillars paramount to the success of our business model:

RESOURCES

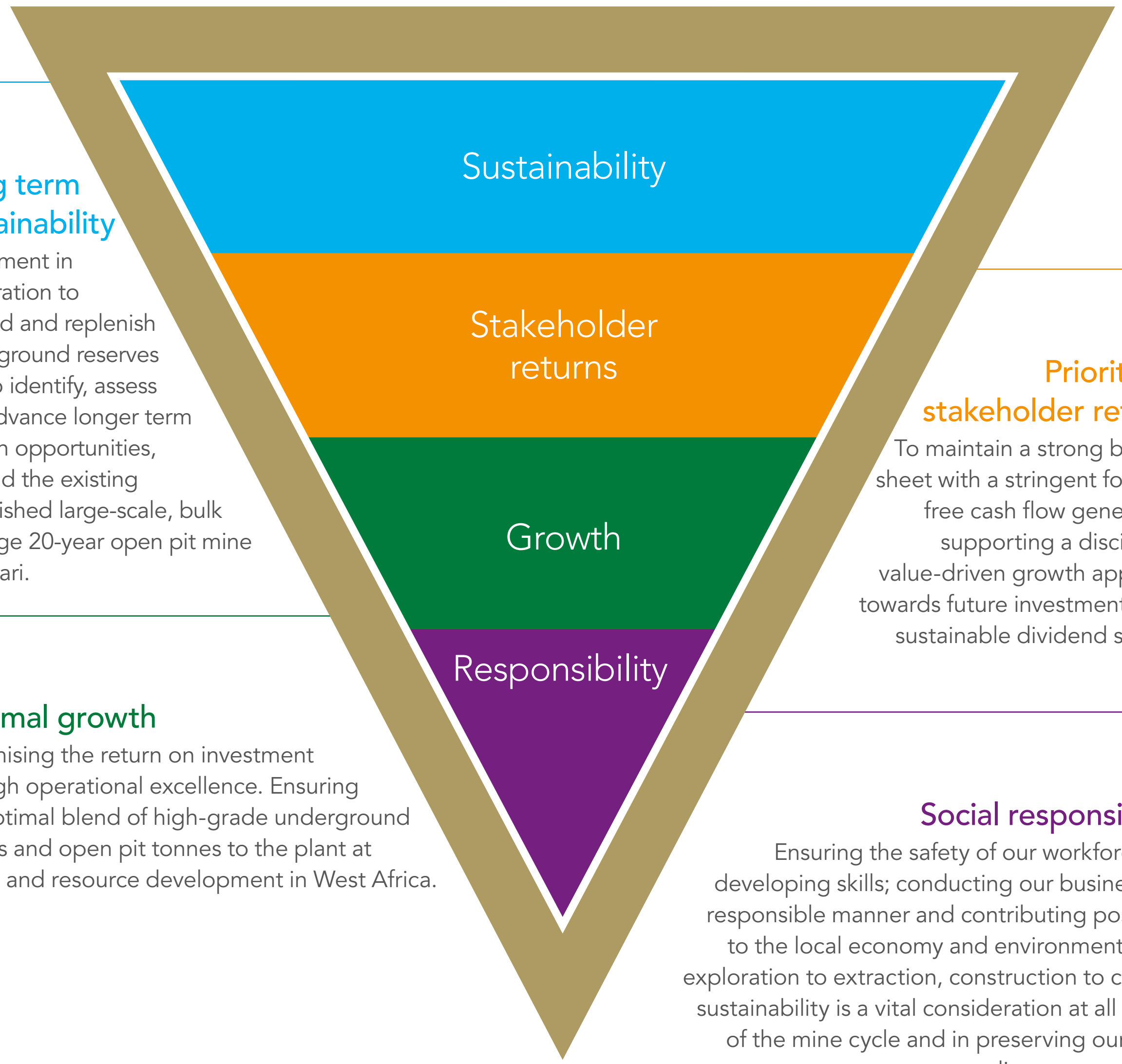
Sukari and West Africa

See pages 65 to 69

RELATIONSHIPS

Engagement with stakeholders

Find more on page 44



1 Long term sustainability

Investment in exploration to expand and replenish underground reserves and to identify, assess and advance longer term growth opportunities, beyond the existing established large-scale, bulk tonnage 20-year open pit mine at Sukari.

2 Prioritising stakeholder returns

To maintain a strong balance sheet with a stringent focus on free cash flow generation, supporting a disciplined value-driven growth approach towards future investment and a sustainable dividend stream.

3 Optimal growth

Maximising the return on investment through operational excellence. Ensuring the optimal blend of high-grade underground tonnes and open pit tonnes to the plant at Sukari and resource development in West Africa.

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. From exploration to extraction, construction to closure, sustainability is a vital consideration at all stages of the mine cycle and in preserving our social licence to operate.

Delivering sustainable returns

SHAREHOLDERS

- Investor roadshows and analyst site visits
- Capital markets day and investor meetings
- Annual general meeting held with key directors in attendance
- Meetings with proxy advisory groups and major shareholder stewardship teams

EMPLOYEES

- Daily pre-start and toolbox meetings
- Training programmes and professional development
- Site safety, welfare and facilities
- Performance reviews and appraisals
- Information sharing

GOVERNMENTS

- Formal meetings (including general assembly) and regular correspondence
- EMRA representatives onsite and engagement through audits and routine inspections
- Materiality assessment to ensure objectives are aligned
- Profit sharing and royalty payments
- Direct job creation and indirectly through the supply chain

NGOs

- Formal meetings and correspondence
- Materiality assessment
- Dedicated engagement officers

LOCAL COMMUNITIES

- Regular communication between head of security, public relations department, group head of sustainability
- Materiality assessment
- Grievance procedures report through the head of security

WORKERS' REPRESENTATIVES

- Materiality assessment
- Unions participate in mine management meetings
- Union staff based onsite

CONTRACTORS

- Induction and ongoing training
- Contractor management protocols
- Materiality assessment
- Tendering and procurement procedures

SUPPLIERS

- Local suppliers, government suppliers, contracts and imports
- Tendering and procurement procedures
- Materiality assessments
- Code of conduct, improvement in standards, welfare and human rights

MEDIA

- Press releases and market statements
- Interviews and site visits
- Conferences and dedicated PR personnel

REFINERS

- Refining and grade of commodities
- Exports and shipments

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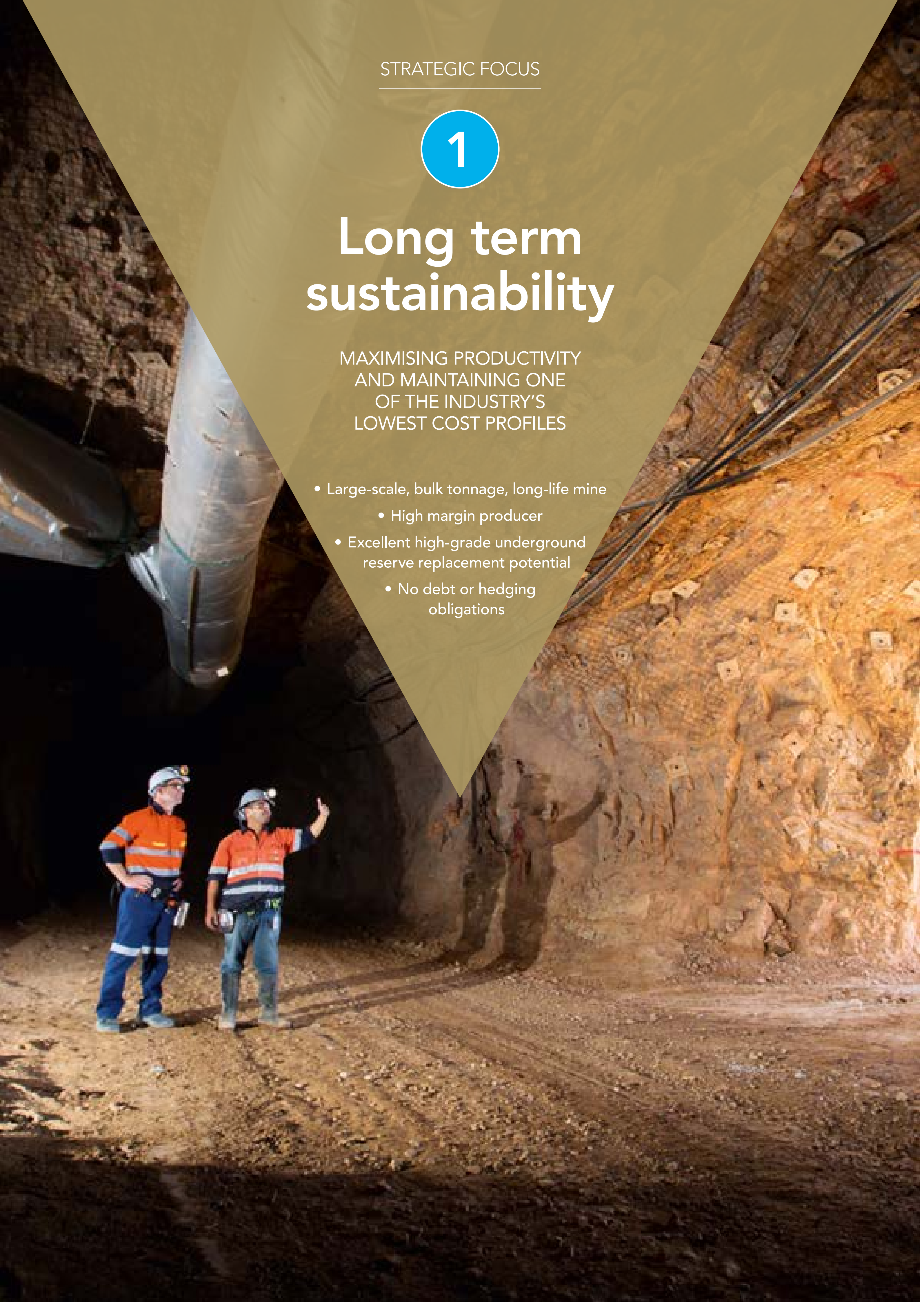
BUSINESS MODEL
continued

Our strategy is set against the key risks, performance indicators and targets for 2018.

STRATEGIC FOCUS AREAS	SUSTAINABILITY	PRINCIPAL RISKS	OBJECTIVES	KPIs REPORTED IN 2017	KPIs SET FOR 2018
1 Long term sustainability	Ability to invest in community development projects. Capacity to quickly and appropriately respond to social or environmental incidents. Ensure legacy and closure obligations can be met.	Single project dependency Joint venture Gold price and currency exposure Political risk – Egypt Reserve and resource estimates Exploration development Production estimates Litigation	• Stable production with opportunities for further increases through optimisation. • Maintaining a low cost operation.	• Cash cost of production of US$554 per ounce, an improvement below guidance of US$580 per ounce. • All-in sustaining cost of US$790 per ounce in line with guidance. • 544,658 ounces produced above guidance of 540,000.	• Targeted US$555 cash cost of production per ounce. • Targeted US$770 per ounce all-in sustaining cost. • Targeted production of 580,000 ounces of gold.
2 Prioritising stakeholder returns	Protection against long term risk – such as climate change. Increased returns through operational eco-efficiency.	Single project dependency Joint venture Gold price and currency exposure Jurisdictional tax exposure Political risk – Egypt Reserve and resource estimates Exploration development Production estimates Litigation	• Dividend returns, with free cash flow to fund the next stage of growth. • Dividends take first priority on use of free cash flow. • Share price performance relative to peers.	• Free cash flow at 31 December 2017 US$142 million. • Total dividend in 2017 of 12.5 US cents per share, equating to approximately US$144 million and representing 100% of free cash flow after sustaining capital and profit share and before exploration expenditure outside of Sukari.	• Annual dividend of at least 30% free cash flow after sustaining capital and profit share and before exploration expenditure outside of Sukari.
3 Optimal growth	Legal compliance – meeting all permitting requirements. Community development – investments in infrastructure, health and education. Local and national employment – developing strong and stable workforce.	Single project dependency Gold price and currency exposure Political risk – Egypt Political risk – West Africa Reserve and resource estimates Exploration development Litigation	• Identify high-grade underground production from Sukari. • Improve plant throughput rates and open-pit mining rates at Sukari. • Resource definition in West Africa. • M&A activity for greenfield or early exploration.	• Resource/reserve replacement and expansion at Sukari. • Process plant throughput of 12.0Mtpa, a 4% increase on the prior year. Exploration programme over licence areas in Burkina Faso. • Exploration programme over licence areas in Côte d'Ivoire.	• High-grade underground production growth potential from Cleopatra decline development access and ongoing resource definition drilling as the orebody remains open at depth and along strike. • Forecasted ramp up in plant throughput with the installation of the fourth secondary crusher. • Explore to develop highly prospective district scale West African land package.
4 Social responsibility	Transparent payments to government. Economic diversification – building a modern mining industry for Egypt. Building local and national strong supply chains. Local and national employment – building a strong and stable workforce. Community development – investments in infrastructure, education and health.	Political risk – Egypt Political risk – West Africa Exploration development Litigation	• Engaging with key stakeholders to understand internal and external sustainability priorities. • Maintaining a safe environment to work, with opportunities for our employees to train and develop skills.	• LTIFR of 0.26 per 200,000 man hours, above our zero-harm target – global rate of 0.22 per 200,000 man hours. • Reporting greenhouse gas emissions and water data to the international environmental body CDP. • Sustainability reporting developed to international Global Reporting Initiative ("GRI") standards.	• Zero-harm safety record throughout the group's operations. • Feasibility study to install a 15MW solar power plant onsite at Sukari. • Identify any improvements as we develop standards of reporting in line with GRI requirements. • Review of site policies and HR procedures.

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



STRATEGIC FOCUS

1

Long term sustainability

MAXIMISING PRODUCTIVITY AND MAINTAINING ONE OF THE INDUSTRY'S LOWEST COST PROFILES

- Large-scale, bulk tonnage, long-life mine
- High margin producer
- Excellent high-grade underground reserve replacement potential
- No debt or hedging obligations

We look forward to delivering solid growth in 2018 with gold production guidance of 580,000 ounces.

During 2017, the Sukari operation continued to deliver substantial free cash flow of US$142 million. The mine performed as expected, by producing 544,658 ounces, slightly outperforming guidance of 540,000. Operations achieved a record year for material moved and ore processed.

Sukari's sustainability remains anchored by the 20-year life of mine, bulk tonnage, open pit operation, with growth driven from the expanding high-grade underground operation. The updated mineral reserve and resource statement further supports the expectation for ongoing replacement of underground reserves over the coming years as development continues to extend along strike and at depth, as Centamin remains focused on unlocking Sukari's true potential.

Centamin has no debt or hedging and has US$418 million of cash and liquid assets at the year end 2017[1]. 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 organically across its asset base and through potential strategic acquisitions.

KPIs reported during the year:

- production of 544,658 ounces;
- cash cost of production of US$554 per ounce;
- all-in sustaining cost of US$790 per ounce;
- revenues of US$675.5 million were down 2% year-on-year with a 0.4% increase in realised gold prices and a 1% decrease in gold sales. The movement is also net of a US$6.1 million reallocation from revenue against capitalised costs related to Cleopatra;
- 0.8Moz Au at 4.5g/t of underground proven and probable reserves, including 0.6Mt of development ore at a grade of 0.9g/t (reserves excluding development ore total 0.8Moz Au at 5.1g/t), a 51% increase in ounces; and
- 4.7Mt of underground reserve tonnes, a 74% increase.

Our KPIs reported for 2017 are set out below:

		Q4 2017	Q4 2016	2017	2016
Production	ounces	**154,298**	136,787	**544,658**	551,036
Cash cost of production	US$ per ounce	**453**	536	**554**	513
All-in sustaining cost of sales	US$ per ounce	**744**	720	**790**	694
Revenue	US$'000	**190,413**	158,307	**675,510**	687,387

KPIs set for 2018:

- forecast production of 580,000 ounces;
- targeted US$555 cash cost of production per ounce; and
- targeted US$770 all-in sustaining cost per ounce.

(1) 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.

How we deliver sustainable returns

PROJECT DELIVERY

- **Track record:** investment and construction phase at Sukari complete.
- **Production:** 2018 guidance of 580,000 ounces.

FOCUS ON COST CONTROL

- **Capex:** Sukari staged construction delivered on budget.
- **Low cash cost of production:** target of US$555/oz in 2018.
- **Low all-in sustaining cost:** target of US$770/oz in 2018.

OPTIMISING PRODUCTION

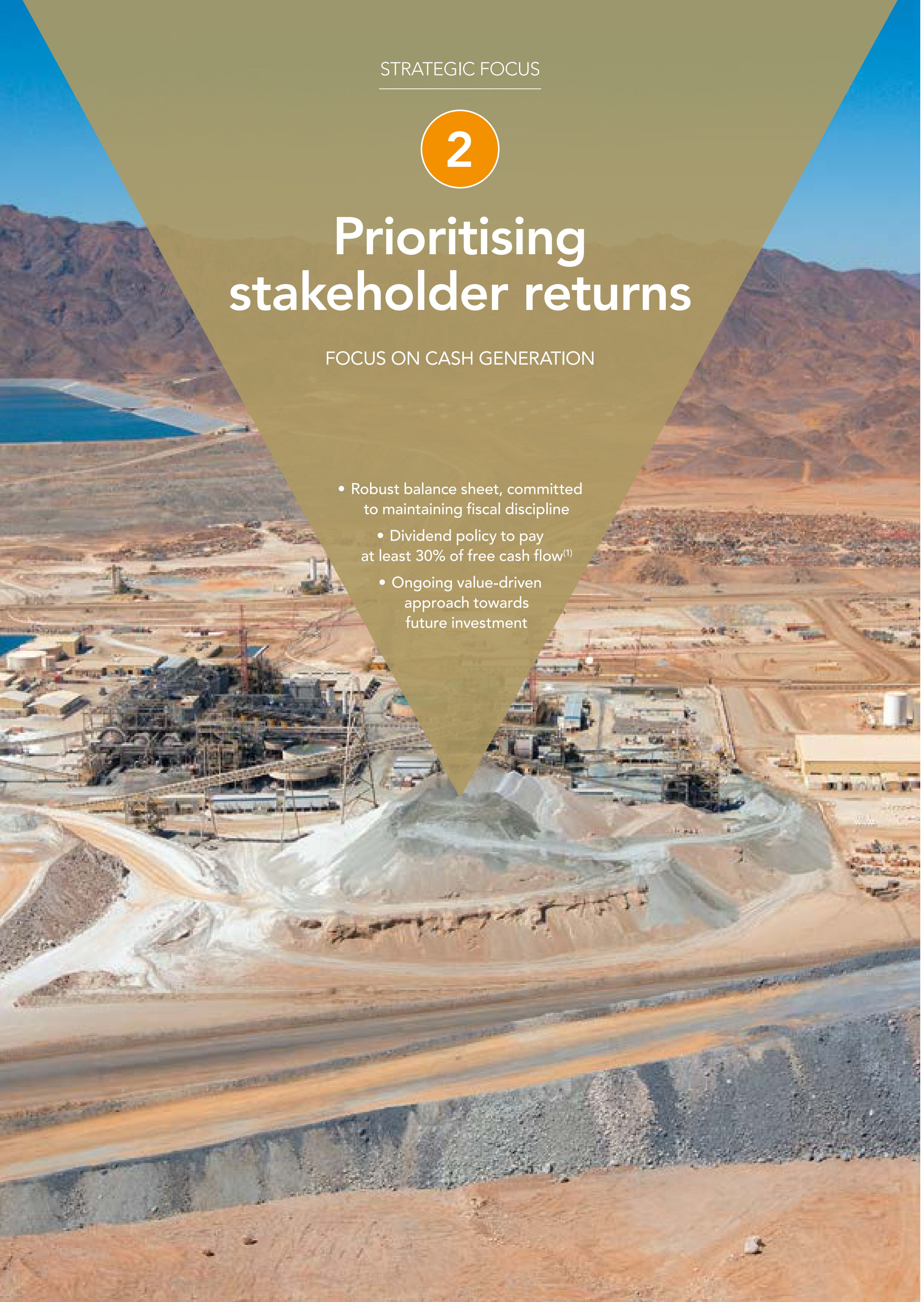
- **Upside:** potential for production growth and cost reduction through processing optimisation.
- **Reserve growth:** grew underground reserves in excess of mine depletion.
- **Capex:** no requirement for further significant capital expansion.

STABLE FINANCES AND SHAREHOLDER RETURNS

- **Cash:** maintaining appropriate cash reserves.
- **Dividend:** sector leading dividend policy with substantial payout.
- **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.
- **Near term:** high-grade underground reserve growth potential at Sukari.
- **New project generation:** exploration projects in Côte d'Ivoire and Burkina Faso.
- **Acquisitions:** financial flexibility to acquire value accretive projects.



STRATEGIC FOCUS

2

Prioritising stakeholder returns

FOCUS ON CASH GENERATION

- Robust balance sheet, committed to maintaining fiscal discipline
- Dividend policy to pay at least 30% of free cash flow(1)
- Ongoing value-driven approach towards future investment

Full year dividend of 12.5 US cents per share representing a payment of 100% of free cash flow for 2017(1).

Centamin's board of directors is pleased to propose a final dividend for 2017 of 10 US cents per share, which will be paid on 6 April 2018 to shareholders on the register at the record date of 23 March 2018 following approval at the AGM on 26 March 2018.

In 2017, free cash flow generation, after the first full year of profit share payments of US$112 million to EMRA, our Egyptian government stakeholders, was US$142 million.

KPIs reported during the year:

- direct payments to the governments including:
  - an entitlement of US$112 million profit share for 2017; and
  - royalty payments totalling US$20 million for 2017.
- total dividend 12.5 US cents per share for 2017 (totalling approximately US$144 million); and
- total payout of 100% of free net cash flow(1), significantly above the dividend policy of at least 30%.

Market data

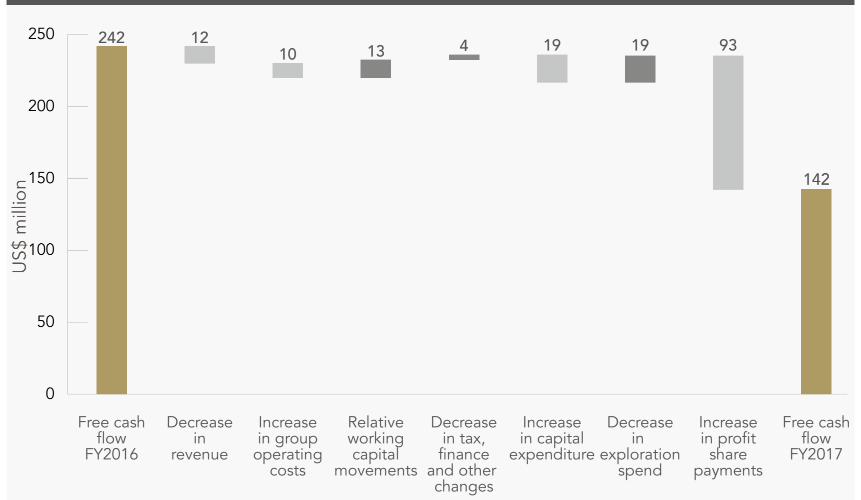
100% free float with strong liquidity (circa 14 million shares traded per day).

KPIs set for 2018:

- annual dividend of at least 30% of the Company's free cash flow(1);
- maintaining government relations; and
- stakeholder engagement through active communication of corporate strategy.

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

FREE CASH FLOW BRIDGE 2016 TO 2017



Free cash flow in a non-GAAP measure defined as net cash generated by operating activities, less net cash used in investing activities, less EMRA profit share paid (cash).

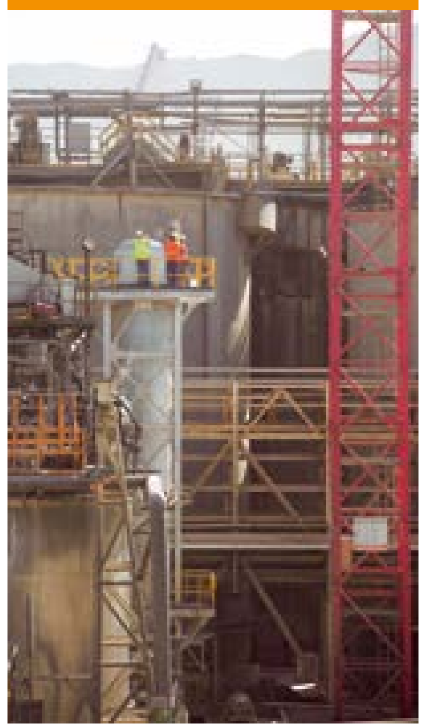
Centamin is committed to prioritising stakeholder returns

Total dividend for 2016
15.5 US cents per share

Total dividend for 2017
12.5 US cents per share
subject to approval at the AGM

US$112 million
profit share for 2017

Royalty payments totalling
US$20 million
for 2017



STRATEGIC FOCUS

3

Optimal 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
- Resource growth in West Africa
- Exploration of highly prospective ABC Project

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)
• Optimise growth from existing operations by increasing high-grade underground mining rates and processing plant upgrades. • Evaluate potential for additional sources of high-grade underground ore at Sukari. • Continue to replace high-grade underground reserve at Sukari. • 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)
• Maximise sustainable production profile at Sukari by fully exploiting underground potential. • 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 low-cost profile. • Continue to evaluate selective M&A opportunities with the potential to develop low-cost projects.

KPIs reported during the year:

- resource/reserve replacement and expansion at Sukari;
- record processing plant throughput of 12.0Mtpa, a 4% increase on the prior year;
- increased total material moved to 70.9Mt, a 14% increase on the prior year;
- exploration programme over licence areas in Burkina Faso; and
- exploration programme over licence areas in Côte d'Ivoire.

KPIs set for 2018:

- expand underground operation to 1.3Mt total underground ore scheduled to be mined at a grade of 7.2g/t, comprising a 65:35 split respectively between stoping and development ore;
- expand processing plant throughput to 12.3Mtpa, with the installation of the fourth secondary crusher increasing capacity;
- ongoing decline development and exploration at Cleopatra, to access the high-grade western contact, a key near term growth catalyst;
- ongoing underground decline development at Amun and Ptah, to access the Horus, Bast and Osiris zones, which are key drivers of medium term growth;
- four exploration rigs allocated to focus on underground reserve replacement and resource expansion drilling as the orebody remains open in multiple directions;
- further resource development in West Africa, with resource definition continuing in Burkina Faso and across the border at the Doropo Project in north-east Côte d'Ivoire; and
- follow-up exploration work continues after encouraging first pass drill results from the ABC Project in western Côte d'Ivoire.

12.0Mtpa
Plant throughput at Sukari Gold Mine
4%
increase on the prior year

70.9Mt
Total open pit material movement at Sukari Gold Mine
14%
increase on the prior year

West Africa
Resource development across Burkina Faso and Côte d'Ivoire

Exploration drill rig in Côte d'Ivoire

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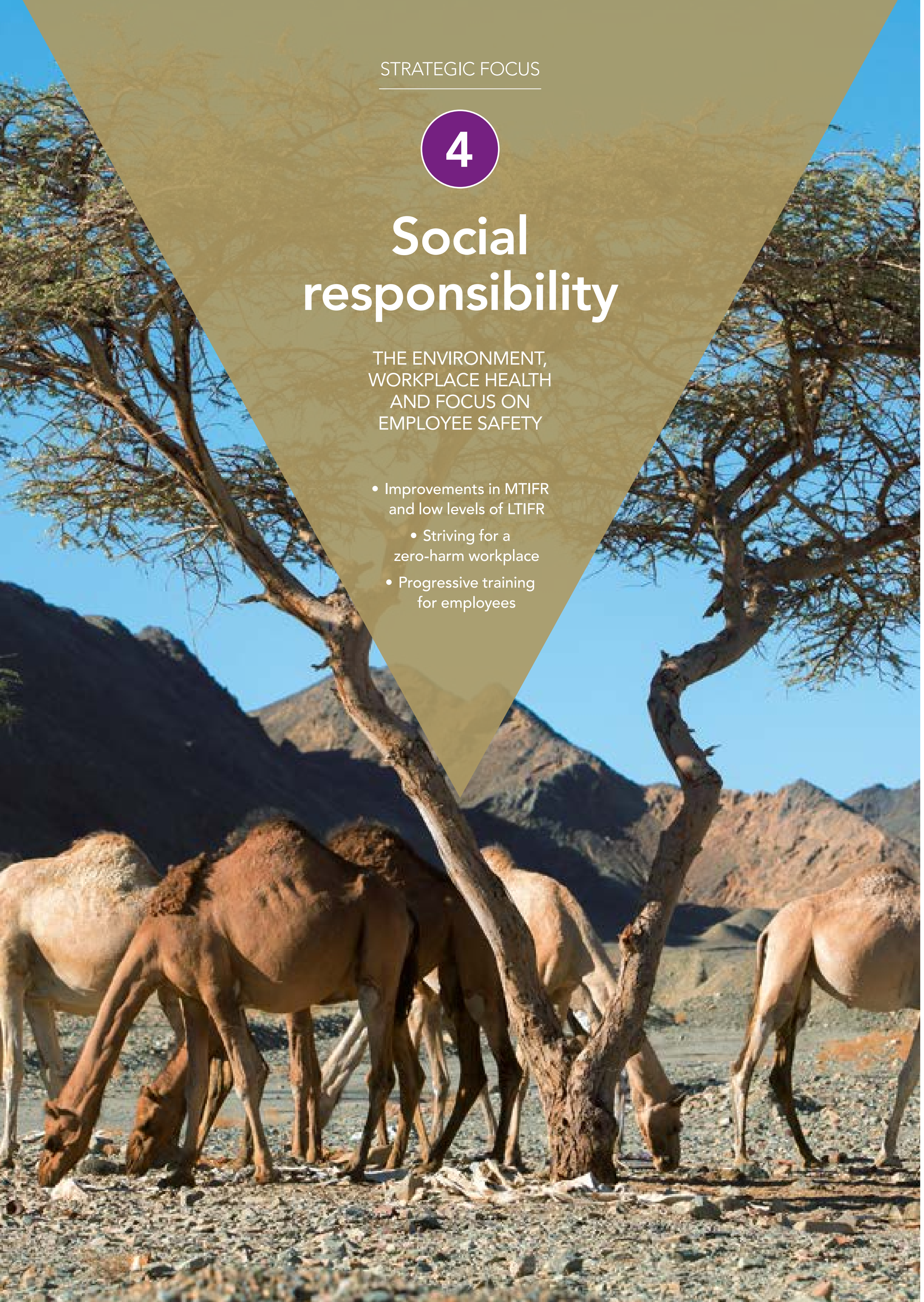


STRATEGIC FOCUS

4

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 its employees and the communities and environments in which it operates.

Key themes in the sustainability report are as follows:

- sustainability reporting developed to international Global Reporting Initiative ("GRI") standards;
- reporting greenhouse gas emissions and water data to international environmental body CDP (formerly the Carbon Disclosure Project);
- strong commitment to managing and minimising health and safety risks;
- a commitment to developing a highly skilled workforce;
- preparation of a feasibility study to assess for the installation of a 15MW solar power plant on site at Sukari as a lower cost alternative for diesel fuel; and
- commitment to human rights and ongoing work to further develop human rights policies over time.

What Centamin does for Egypt, beyond the direct profit share and royalty payments to government – contribution:

- approximately US$3 billion investment to date (including capital and operational expenditure); and
- job creation – an average of circa 1,350 Egyptian employees (71 expatriates) and over 320 Egyptian companies supplying Sukari.

What Centamin does for Burkina Faso – contribution:

- job creation – circa 40 permanent employees plus casual workers from villages around the operations;
- purchases from local suppliers; and
- annual payments on customs duties and related taxes.

What Centamin does for Côte d'Ivoire – contribution:

- job creation – circa 65 permanent employees plus casual workers from the neighbouring villages;
- purchases from local suppliers; and
- customs duties and related taxes.

Solar power
Feasibility study underway to assess the viability of a 15MW solar plant at Sukari Gold Mine

c.2,500
total workforce including contractors (less than 1% expatriate employees)

44%
Egyptian suppliers to Sukari Gold Mine

0.22 LTIFR
Global LTIFR across Sukari, Côte d'Ivoire and Burkina Faso (per 200,000 working hours)


Recreational activities at Sukari


Engineer at Sukari Gold Mine

RISK MANAGEMENT

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.

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 board reviews existing and emerging risks in the context of both opportunities and potential threats. This is then applied when challenging the strategic objectives of the Company that underpin the business model. The board met during the year on a focused 'strategy day' to evaluate and assess the overall business plan.

Although a longer time horizon is considered for evaluation of risks impacting the Company, the assessment of viability is made during the budget process which covers a five year period and detailed assessment of financial and operational forecasts.

The report covers the board's assessment of its risk appetite to key strategic decisions, our viability statement and details of our principal risks. During 2017 the Company implemented a risk management framework (details of which are set out in the audit and risk committee report on page 137).

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 is clear that Centamin has a zero tolerance to breaches in health and safety and environmental protection. The board invests heavily in a programme of continuous improvement in health and safety practices and has an expectation to meet the highest standards.

The group has a high 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.

The board is agreed that due to the nature and inherent risks associated with an operating mining company, the board accepts a higher risk appetite, however this needs to be managed within acceptable limits by having appropriate safeguards in place. The principal risks identified by the board and disclosed below, evidence the extent of potential consequences inherent in operating a large-scale mining operation. The board assesses regularly the measures to mitigate these risks and limit the likelihood for incidents.

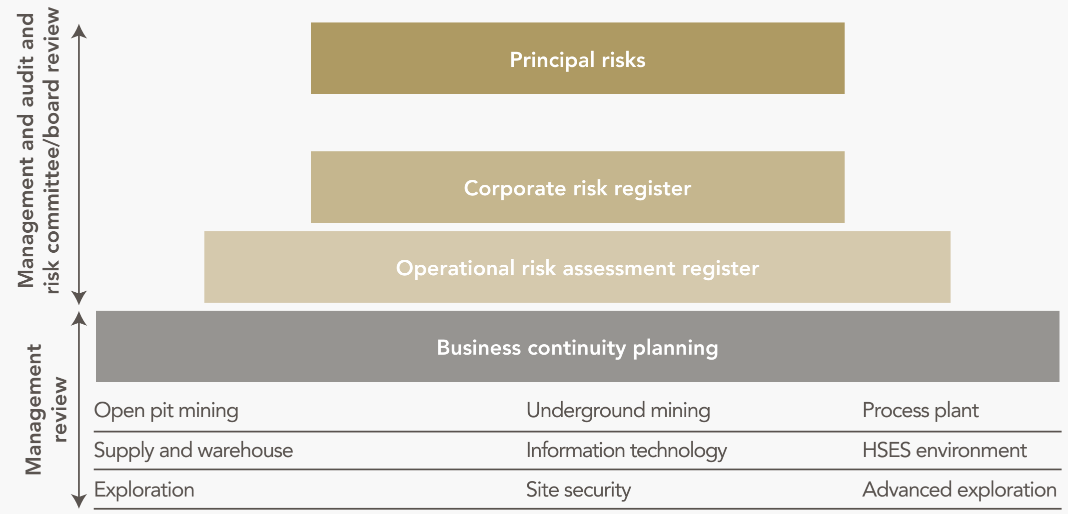
The group's risks may change over time, as will the group's risk appetite statement, as the external environment changes and as operations are expanded into new geographical areas. The risk management and review process requires regular monitoring of the group's existing risks and the identification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

CASE STUDY: RISK MANAGEMENT IN ACTION

At least quarterly, a management review team meets in an open forum to discuss emerging risks and consider the effectiveness of controls in place. The meetings result in a formal report which is presented to the audit and risk committee and takes the form of a 'report by exception' on matters such as risk identification, policy changes and changes to practices resulting from either breaches to policies or improvement in operating practices. Data is captured at an operational level, collated through daily, monthly and quarterly reporting. The reports are assessed by management, and discussed in detail at quarterly meetings. Recommendations from site, policy changes and other remedial actions, as well as category 4 and 5 level incident reports are reported to the audit and risk committee and summarised to the board. Decisions of the board, committee, management and executive are communicated to the heads of department. Daily toolbox discussions and ongoing site training are the forums for disseminating this information to the wider workforce.

Other strategic matters such as the 'acceptance or rejection' of new business opportunities are regularly discussed, with geopolitical risk representing the first hurdle for new project initiatives. The discussions around risk and 'areas of concern' provide the management team with the means to escalate emerging issues to the audit and risk committee and equally develop enhanced procedures to reduce or mitigate a particular issue.

PRINCIPAL RISKS



Viability statement

In accordance with provision C.2.2 of the UK Corporate Governance Code (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 2017 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 stability, prioritising stakeholder returns, optimal growth and social responsibility. The strategic focus areas are set out on page 18. 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 2022.

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 31 January 2018. 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 which are developed in consultation with external experts and combine geological, metallurgical and economic data. The latest R&R statement was announced on 10 January 2018.

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RISK MANAGEMENT
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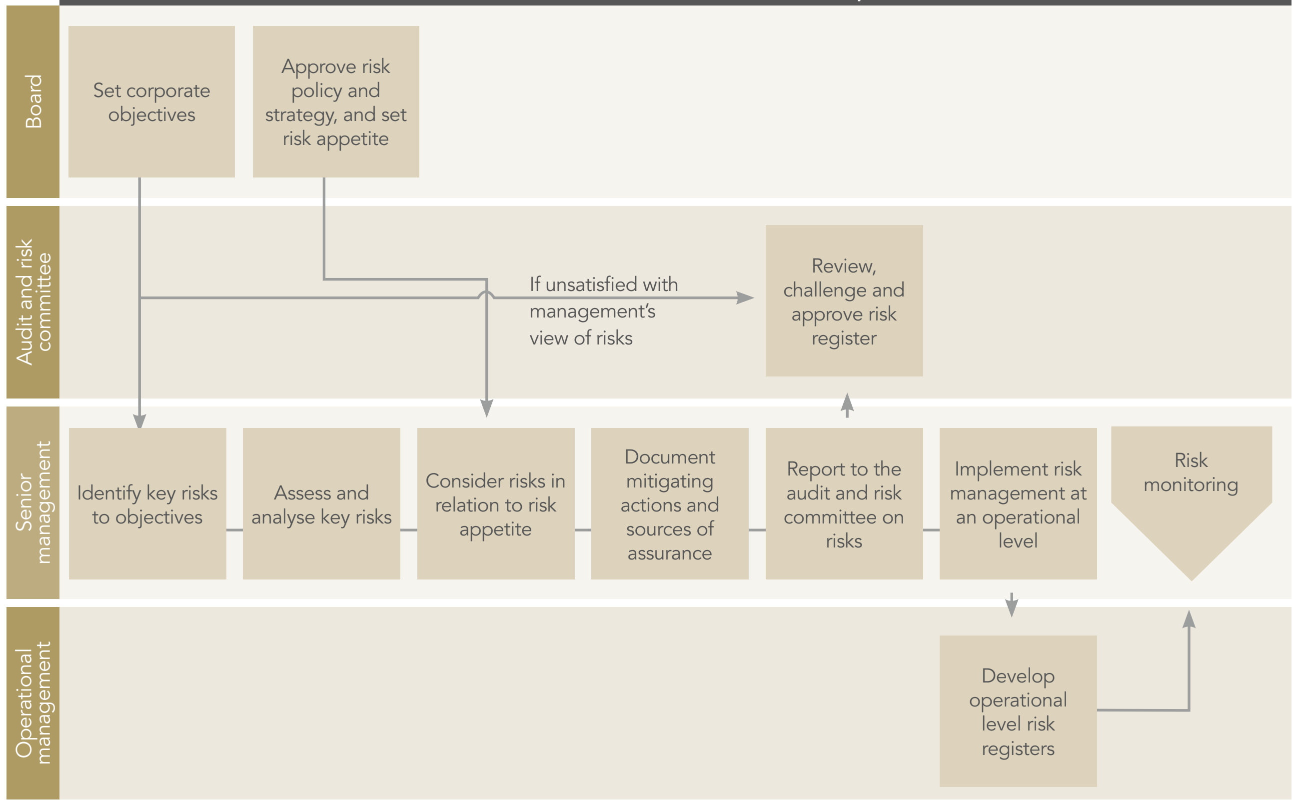
CENTAMIN PLC RISK MANAGEMENT PROCESS – INITIAL RISK IDENTIFICATION, DOCUMENTATION AND ASSESSMENT



The budget process, which pulls heavily on the R&R data, includes 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 unhedged 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;
- **production assumptions:** Sukari is a 24-hours-a-day, seven-days-a-week operation with an estimated plant throughput capacity of 11.75Mtpa (12Mtpa from 2018). The process plant recovery rates are estimated to average at 89% in 2018. Maintaining and improving productivity is fundamental to our business and long term strategy; and
- **social licence to operate:** relations with our joint venture partner, EMRA, remain strong and this relationship continues to strengthen with the onset of profit sharing.

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 2017 based on this time horizon. The five year time horizon reflects the period of the review which includes the preparation of the budget document which includes operational and financial forecasts that have been prepared over a five year period to 2022.

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 34 to 37, 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 review also considered the cost in developing the prospects in West Africa, noting that there are sufficient cash resources to cover the early stage development. The review considered timing and possible future capital expenditure whilst ensuring the dividend policy and ongoing commitments could be met.

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 to 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.

The assessment of viability over a period of five years to 2022 and the material inputs and assumptions remain consistent with the conclusions set out in the viability statement in the 2016 annual report. However, notably, the updated reserve and resource statement at 30 June 2017 supports the longevity of the open pit operation and upside potential of the underground operation at Sukari (see R&R statements on pages 65 to 67). The relationship with our JV partners, EMRA, remains strong with both parties enjoying profit sharing in line with the Concession Agreement throughout the year. The principal risks are set out on pages 34 to 37 and all principal risks have been concluded by the board to be within acceptable limits, taking account of the associated mitigation that is in place.

The review undertaken to determine the long term viability did not identify any new or emerging risks that have not already been disclosed under 'principal risks' nor have any additional mitigation measures been implemented, other than in the ordinary course of business.

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.

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 current status of the principal risks affecting Centamin and its operational and exploration activities, together with the measures to mitigate risk are detailed on pages 34 to 37.

Change to principal risks

Due to the nature of the business as an operating mining company, the headline principal risks, whilst fundamental to the ongoing operation, remain largely constant. The committee regularly reviews the principal risks as well as the wider operational, corporate and general business risks and has identified one change to the principal risk register as follows:

The risk relating to currency exposure is no longer considered to be a principal risk to the business and has been removed from the principal risk register.

The group operates predominantly in Egypt with EGP representing approximately 15% of total cost base. The group receives all revenue from gold sales in US dollars. In November 2016 the Egyptian government floated the Egyptian pound in an attempt to stabilise its economy. This led to a significant devaluation of the currency and subsequently an increase in local inflation. Whilst this still carries a potential risk for the group, as it can lead to increases in the prices of fuel, raw materials as well as pressure to increase staff wages, we have observed a relatively stable profile against the US dollar and whilst this will be closely monitored, this risk has been removed from Centamin's principal risk register.

The directors confirm that a robust assessment of the principal risks impacting the Company has been undertaken which identified strategic and operational risks at a corporate level and principal risks impacting our operations in Egypt and West Africa.

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RISK MANAGEMENT
continued

PRINCIPAL RISK	TREND	NATURE OF RISK	MITIGATION	COMPANY OBJECTIVE/STRATEGY	RISK APPETITE	OWNER
STRATEGIC RISK Loss of revenue due to 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 resources in Burkina Faso and Côte d'Ivoire are 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 two years, 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.	At Sukari, the process plant has been designed with sufficient resilience and redundancies within the operating cycle, 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.	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.	**Executive:** CEO, COO
STRATEGIC RISK Sukari Gold Mine joint venture risk and relationship with EMRA	Neutral	Whilst Centamin retains control over the project, the holding company, SGM, is jointly owned by the Company's wholly owned subsidiary PGM and EMRA, with equal board representation from both parties. The board of SGM operates by way of simple majority. Should a dispute arise which cannot otherwise be amicably resolved, arbitration or other proceedings may need to be employed. 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:** with the onset of profit sharing with EMRA last year, managing timing and quantum of payments, as well as applying and interpreting certain provisions of the Concession Agreement, is important in maintaining 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.	Risk appetite is at an acceptable level, with appropriate levels of mitigation in place.	**Executive:** Chairman, CEO, CFO, COO **Operational:** GM
STRATEGIC RISK Gold price	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 Mine remain low compared with the industry norm.	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.	**Executive:** CEO, CFO
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 on 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. The Company has developed a global tax strategy to take account of the required regulations relevant to Centamin. The Company's strategy is to ensure taxes are paid at an operational level and tax leakage is reduced through the holding structure.	To minimise the complexity of the corporate structures 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.	**Executive:** CEO, CFO
STRATEGIC RISK Political risk – Sukari	Neutral	The Company's operational activities are primarily in Egypt, a country that 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 relationship with government. The Company undertakes to abide by the spirit and letter of the Concession Agreement as well as local laws and regulations.	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.	**Executive:** Chairman, CEO **Operational:** GM – Egyptian operations

RISK MANAGEMENT
continued

PRINCIPAL RISK	TREND	NATURE OF RISK	MITIGATION	COMPANY OBJECTIVE/STRATEGY	RISK APPETITE	OWNER
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 policymakers to discuss all key legal and regulatory developments.	Maintain relationships with all key stakeholders, including regional governments, landowners and local chiefs. The Company meets its environmental and operational commitments set out in the permits/ grants and local laws/regulations.	The Company operates within acceptable limits.	**Executive:** CEO **Operational:** GM, group exploration manager
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 is 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.	The Company operates its exploration programmes within acceptable risk appetite parameters.	**Executive:** CEO, CFO **Operational:** GM, group exploration manager
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. An updated reserve and resource statement for Sukari was announced on 9 January 2018. Preliminary resource statements have been provided for Konkera, Burkina Faso and Doropo in Côte d'Ivoire.	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.	The Company operates within acceptable risk appetite parameters.	**Executive:** CEO **Operational:** GM, group exploration manager
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.	The Company operates within acceptable risk appetite parameters.	**Executive:** CEO **Operational:** GM
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.	The Company is operating within its risk appetite parameters and the mitigation in place is at an acceptable level.	**Executive:** Chairman, CEO

INTRODUCTION TO CORPORATE SOCIAL RESPONSIBILITY

Andrew Pardey
Chief executive officer

Improving standards, modernising our industry.

Sustainability highlights

- Continued improvement on LTIFR
- A drop in MTIFR for second year running
- Each employee received an average of 3.8 days' training
- Over 44% of our suppliers at Sukari are Egyptian
- 4% improvement in energy efficiency over two years
- Take5 pre-start micro-risk assessment (see case study below)
- 15% annual decrease in total water abstracted
- Over 50% of all water recycled
- 99% improvement in water recycling over two years
- Board approval to prepare a feasibility study for the installation of a 15MW solar power plant at Sukari
- Over US$2 million invested in community development projects in all host countries over two years
- CDP water and GHG questionnaires completed for the first time
- A new CT scanner (providing 3D x-rays) donated to Marsa Alam public hospital near the Sukari mine in Egypt

Sustainability has been, and continues to be, critical to Centamin's success. From workplace safety to training and development, it gives our business a critical advantage if we can ensure world-class standards are upheld relating to any issue affecting our people, our host communities and the natural environment.

Centamin has benefited from eight successive years of production at Sukari and as we evolve, so do our efforts on sustainability. For example, this year has been the first time we reported greenhouse gas emissions and water data to the international environmental body CDP. This sustainability report itself is part of our evolving efforts – and is the first time we've reported against the international Global Reporting Initiative ("GRI") standards.

Modern, safe mining in Egypt

Much of this report focuses on our flagship Sukari mine in Egypt, which continued to deliver a strong safety record this year, achieving a decrease in both lost time and medical treatment injuries, despite an increase in hours worked. It also continues to foster strong relations with the local community, based on mutual respect, and this year invested more than US$300,000 in local projects, including procuring a new CT scanner for one of the key public hospitals near our operations in Egypt.

"Our people are our most valuable asset. We are committed to attracting, energising, developing and retaining a highly skilled and experienced workforce, and to ensuring a safe workplace where all workers return home safely at the end of each shift."

Andrew Pardey, CEO

We are committed to helping modernise and grow the wider mining sector in Egypt. Egypt has a 6,000-year history of mining, which has stalled in more recent times. Our hope is that by employing a workforce that is approximately 95% Egyptian, and providing world-class training and skills development opportunities, it is not only Centamin that benefits from the upturn in skills and capacity, but the country as a whole. In 2017 each employee receiving an average of 3.8 days' training.

Beyond our workforce, approximately 44% of all our suppliers at Sukari are Egyptian, helping further develop the capacity and quality of the Egyptian mining sector as a whole.

Deposits in the desert

Centamin is committed to being a responsible steward of the environment, including minimising our water and energy use wherever possible. This year has seen us reduce environmental incidents by 41% over two years (although up 23% from the prior year). Crucially, given Sukari's location in Egypt's Eastern Desert, we have also driven a 99% increase in water recycling over two years and decreased our overall abstraction.

Enormous challenges remain on all sustainability fronts, both at our Sukari mine and in our West African exploration projects. We look forward to meeting those challenges in the years ahead.

Andrew Pardey
Chief executive officer

CORPORATE SOCIAL RESPONSIBILITY

Trevor Schultz
Chairman of the HSES committee

Fire drill training

24 hour operation at the Sukari Gold Mine

Respect for the environment, worker safety and strong stakeholder relations are the foundation of Centamin's success.

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.

From exploration to extraction, construction to closure, sustainability is a vital consideration at all stages of the mine cycle. All our key governance policies integrate sustainability considerations, and we have developed systems and processes to ensure we identify and manage the risks and opportunities from the environmental and social factors that arise in our business. We also work to engage effectively with all our stakeholders to ensure their views are taken into account throughout our business.

The board of directors is ultimately responsibility for sustainability related issues, and we have a dedicated health, safety, environmental and sustainability board level committee ("HSES"). The committee is made up of three board members: Edward Haslam, Mark Bankes and me as chairman. Effective from 5 February 2018, our newly appointed non-executive director, Alison Baker, will join the committee.

The committee meets up to four times per year, and its core responsibility is to make recommendations to the board regarding all matters of environmental management, health and safety and stakeholder engagement – particularly with any communities near our operations.

Other responsibilities include:

- Reviewing all monthly and quarterly reports on issues related to sustainability, including community and environmental reports.
- Overseeing the development and implementation of our HSE policies for our exploration activities in Burkina Faso and Côte d'Ivoire.

This year we also reinforced our commitment to sustainability and linked part of the CEO's performance bonus to the achievement of specific HSES KPIs, including:

- zero fatalities;
- a year-on-year decrease in LTIFR;
- zero severe or major consequence environmental incidents;
- a year-on-year increase in water recycling;
- a year-on-year reduction in GHG emissions per tonne milled; and
- an increase in total community investment.

SUSTAINABILITY THROUGHOUT THE MINE LIFECYCLE

EXPLORATION	FEASIBILITY	CONSTRUCTION	PRODUCTION	CLOSURE
• Aim for the smallest possible social and environmental impact • Establish good community relations and community programmes • Employ local people in exploration teams to ensure sufficient local knowledge to assess potential social and environmental issues • Establish a grievance mechanism	• Conduct Environmental and Social Impact Assessments ("ESIAs") • Hold discussions with host governments on issues such as infrastructure and security • Produce site-specific community and environmental plans, which comply with all host country legislation and IFC performance standards • Draw up any necessary resettlement action plans • Public communication programmes to ensure local communities aware of positive and negative impacts of mine • Develop closure plan	• Recruitment process • Increase communication with local communities • Implement environmental management systems and programmes to mitigate impacts • Implement safety strategies	• Prioritise workplace safety • Establish community development programmes • Work to ensure efficient use of natural resources and monitor to ensure compliance with applicable host country and international laws. • Work to manage and minimise grievances • Ensure sufficient financial resources set aside to meet all closure obligations and development legacy plan	• Remediate and restore land • Post closure training for alternative livelihoods

Scope and boundary of this report

This report focuses on the Sukari Gold Mine in Egypt, Centamin's only current operational site. Data presented covers our performance for the 2017 calendar year, which corresponds to our financial year. Where noted, references may be made to historical results. All financial figures are quoted in United States dollars unless otherwise noted. This is our first report produced in accordance with the Global Reporting Initiative ("GRI") Standards Core option guidelines, including the Mining and Metals Sector Supplement. Previously our approach to sustainability has been reported as part of the corporate social responsibility chapter in our annual report. The most recent annual report was published in March 2016.

Boundary

Unless noted otherwise, this report covers sustainability matters related to the Sukari Gold Mine in Egypt, our only operational site. However, reference is made to our exploration activities in Burkina Faso and Côte d'Ivoire, when they are material, provide context and to demonstrate how sustainability issues are considered throughout all our activities.

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This year we reviewed the requirements of the UK's Modern Slavery Act 2015 ("2015 Act"). As noted in the directors' report, the committee agreed to review the 2015 Act further, with a view to enhancing the Company's existing human rights policies during 2018, giving consideration to the 2015 Act and related UK guidance on adherence with the Act's principles.

Sustainability governance

Centamin's governance of sustainability is set out in a suite of policies including our:

- code of conduct;
- health, safety and environment ("HSE") policy;
- corporate and social responsibility policy;
- anti-corruption and bribery policy; and
- whistleblowers' policy.

All key sustainability policies are available on our website. These policies commit Centamin to the highest standards of ethical, environmental and social practices.

Centamin strives to operate at the highest international standards. In doing so, we have appointed Digby Wells to work with us to ensure the mine is run in line with international best practice. In 2018, the HSES committee shall evaluate the stakeholder engagement plan and work with our consultants to identify any improvements as we develop standards of reporting in line with GRI requirements.

In developing projects in West Africa any feasibility and social and environmental studies will be prepared taking account of both local and international requirements.

All employees and contractors receive training on sustainability policies, including our code of conduct, as part of the onsite induction process, with refresher courses run annually. We expect all employees and contractors to adhere to the highest standards of personal and professional integrity. All our policies and the code of conduct are readily available on site and provided in both English and Arabic for workers at the Sukari Gold Mine in Egypt, and in French for our employees in West Africa. Failure to comply with our code of conduct and other policies can lead to disciplinary action or termination of employment.

Bribery and corruption in all forms is strictly prohibited. We do not get involved in political processes nor do we make any political contributions. In line with Toronto Stock Exchange requirements, all payments to government are fully reported and disclosed through our annual Extractive Sector Transparency Measures Act ("ESTMA") declaration, which is available online. The London Stock Exchange disclosure and transparency rules on the reports on payments to governments regulations (4.3A) also apply to the Company and are available online.

This sustainability report provides further details of all these policies and how they are implemented.


IT service desk based at Sukari

Payments to government

Centamin strives to be a good corporate citizen within all host countries. Centamin recognises the importance of paying a fair share of taxes and royalties, and of reporting these in a transparent and accountable manner. The payments Centamin makes often represent a significant contribution to the ability of authorities to foster local economic development. The Egyptian government, for example, owns 50% of the Sukari Gold Mine and as part of the permitting agreement receives a 3% royalty and 50% of the profits (after recoverable expenses and payment of the royalty are deducted).

As shown below, Centamin's total economic value distributed in Egypt in 2017 was US$133 million to the Egyptian government via profit share, corporate taxes, royalties and licence fees. These figures are fully reported in the annual report, as part of our annual ESTMA declaration, and as an annual requirement under the FCA's rules are independently audited.

	2017				2016			
	Egypt (US$)	Burkina Faso (US$)	Côte d'Ivoire (US$)	Australia (US$)	Egypt (US$)	Burkina Faso (US$)	Côte d'Ivoire (US$)	Australia (US$)
Profit share paid	111,629,332	—	—	—	18,503,333	—	—	—
Corporate and indirect taxes	997,048	—	—	1,550,333	621,956	—	—	7,599,793
Royalties	19,344,126	—	—	—	17,314,743	—	—	—
Exploration licence fees	—	148,267	35,253	—	—	22,468	—	—
Mining and other licence fees	1,057,361	833,666	—	—	231,536	776,153	70,353	—
Infrastructure improvements	350,000	—	—	—	1,095,868	—	—	—
Total economic value distributed	133,377,866	981,933	35,253	1,550,333	37,767,436	798,621	70,353	7,599,793


Explosives operative loading blast hole

CORPORATE SOCIAL RESPONSIBILITY
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OUR STAKEHOLDERS AND HOW WE ENGAGE

SHAREHOLDERS

- Investor roadshows other forums
- Private meetings and calls, including with CEO
- Formal AGM – most recent held 21 March 2017
- Site visits
- Materiality assessment process
- Responding to CDP questionnaire
- Responding to rating agency questionnaires

EMPLOYEES

- Information sharing and input via unions
- Performance reviews and appraisals
- Daily pre-start and toolbox meetings
- Training programmes

GOVERNMENTS

- Formal meetings and correspondence
- Materiality assessment
- EMRA representatives on site at Sukari

NGOs

- Formal meetings
- Correspondence
- Materiality assessment

LOCAL COMMUNITIES

- Materiality assessment
- Grievance mechanism
- Regular and ad-hoc meetings between communities and head of security, PR department and group head of sustainability and business development manager

UNIONS

- Materiality assessment process
- Union office based on site
- Unions participate in mine management meetings

SUPPLIERS AND CONTRACTORS

- Procurement team account management relationships
- Tender documents
- Supply contracts
- Materiality assessment

MEDIA

- Publications and online information
- Press releases and market statements
- Interviews
- Site visits
- Regular press conferences

Stakeholder engagement

Centamin's stakeholders are a critical part of its business. The Company aims to build strong, mutually beneficial relationships with all stakeholders throughout every stage of the mine lifecycle, from exploration to closure. Centamin's key stakeholders are:

- employees and unions;
- communities local to or affected by our operations;
- shareholders;
- contractors and suppliers;
- NGOs;
- central and local government; and
- media.

Formal discussions with local stakeholders, including local communities and authorities, occur at all sites at the exploration stage, and as part of the ESIA process. This is backed up by a policy of regular and open communication between management, authorities and the local community.

Centamin also seeks to employ people from the local community early on in the process to help strengthen local community relationships and build and maintain social licence to operate. At Sukari, the only operational site, the directors of security and public relations (PR) are responsible for ongoing regular and ad-hoc communications with local stakeholders.

Grievance mechanism

Managing grievances is an important part of Centamin's interactions with local stakeholders and governance of sustainability. Currently at Sukari Gold Mine, grievances are managed through the security department. Centamin's security manager maintains an open door policy, and anyone is welcome to register a grievance or discuss any issue that has arisen. Most issues are quickly resolved through open and transparent discussion.

If an issue cannot be easily resolved then it is escalated to operational management level and the Sukari general manager ("GM") for consideration. Centamin plc also has a whistleblowing policy, which is available on the Company's corporate website at www.centamin.com.

At the exploration sites in West Africa, grievances are dealt with by project community officers, and escalated to the site manager for resolution if necessary.

In developing projects in West Africa, any feasibility and social and environmental studies will be prepared taking account of both local and international requirements.


Recreational activities at Sukari

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CASE STUDY


Mosque at Sukari Gold Mine

OPERATING IN DYNAMIC POLITICAL ENVIRONMENTS

All three countries where Centamin has either operational or exploration activities have suffered some degree of civil unrest or conflict over the last decade. Egypt was the scene of two high profile revolutions in 2011 and 2013. Côte d'Ivoire emerged from a civil war in 2010-2011 and still has pockets of unrest, and Burkina Faso has experienced two coup attempts since 2015.

Part of the way the Company manages this political and conflict risk is to ensure it meets obligations under national mining codes, adheres to the expectations of international rules and conventions, and offers complete transparency for payments to government. Centamin's legally binding mining conventions or codes guarantee fiscal stability, govern taxes applicable and allow for international arbitration in the event of force majeure or a dispute.

This, however, is just part of the story. Far more important are the strong relationships the Company builds with local communities and host countries. Through this model, Centamin has found that should strife arise, common interests and shared values reassert themselves. By delivering value to local communities and for host countries, Centamin has come to be regarded as an important contributor to social, economic and industrial development.

Some of the ways this has been achieved include:

- providing work and training opportunities to local and national people;
- joint ownership structures;
- payment of taxes, royalties and dividends;
- use of local and national-based suppliers;
- contributions to the development of key local infrastructure, including roads;
- support for schools and hospitals, and participation in key community celebrations; and
- a philosophy of transparency, openness and approachability at ground level.

Through this model Centamin has found that its local communities and host governments become partners in our progress. Sukari Gold Mine, for example, was built during the first revolution in Egypt and business continued unabated through the second.

Materiality assessment

During September and October 2017, in line with the requirements of the GRI, Centamin conducted a materiality assessment survey to help prioritise sustainability issues and understand which topics are most important to stakeholders. The survey asked representatives from internal and external stakeholder groups to consider and prioritise a list of 41 economic, environmental and social sustainability related issues.

As shown in the material issue matrix below, the survey identified eleven issues as sustainability priorities, and it is Centamin's performance against these issues in 2017 that forms the bulk of the content for this sustainability report. Of the eleven material issues identified, five were of high impact (i.e. the issue appeared in both internal and external stakeholders' top ten priorities) and six of medium impact (i.e. the issue appeared in both internal and external stakeholders' top 20 priorities).

High impact issues:

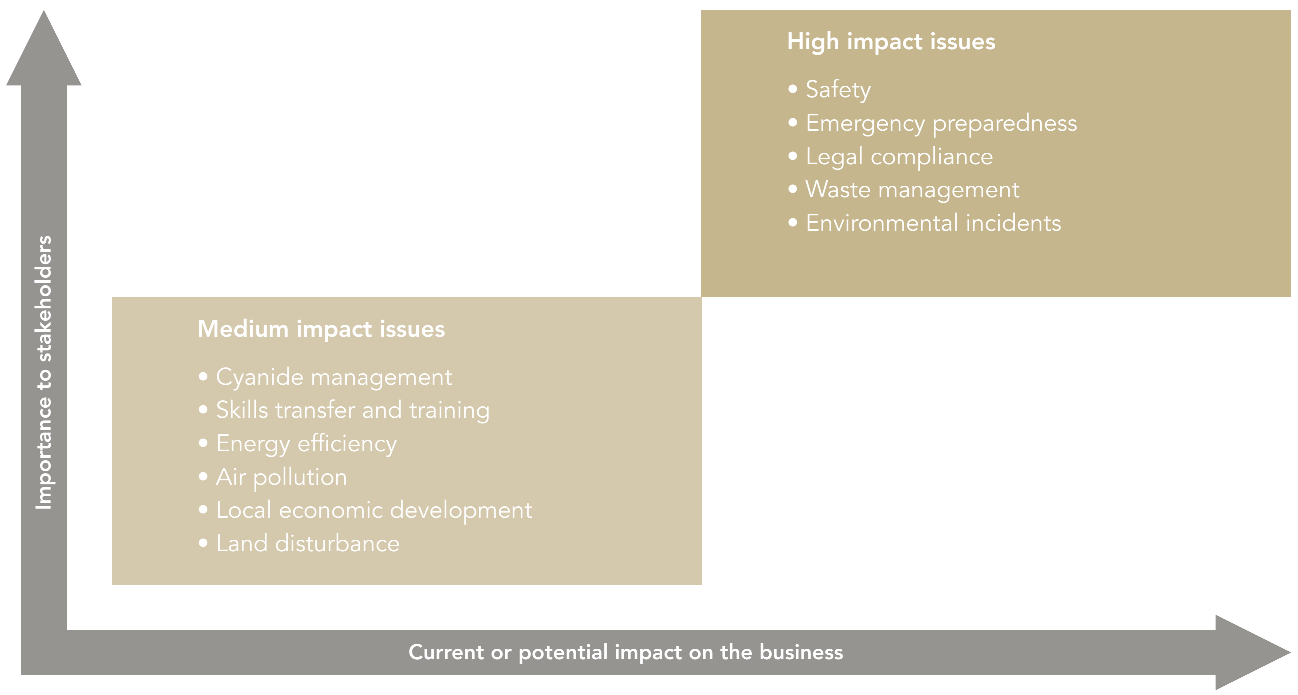
- safety;
- emergency preparedness;
- legal compliance;
- waste management; and
- environmental incidents.

Medium impact issues:

- cyanide management;
- skills transfer and training;
- energy efficiency;
- air pollution;
- local economic development; and
- land disturbance.

By identifying and comparing the differing priorities between both internal management and external stakeholders, this exercise has also proved a useful tool to help Centamin's executive management team understand stakeholders' needs. For example, energy efficiency and air pollution were ranked as top six priorities by external stakeholders, but they ranked 21st and 15th respectively for internal stakeholders, thus highlighting a need for internal management to examine why this disparity occurs.

Our most material issues



CORPORATE SOCIAL RESPONSIBILITY
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"Respect for the environment, worker safety and strong stakeholder relations are the foundation of Centamin's success. Ensuring these issues are managed to world-class standards is critical to our continuing success and underpins every decision we make."

Trevor Schultz, chairman, HSES committee

Human resources

- 95% of employees at Sukari Gold Mine are Egyptian nationals, with 50% drawn from Upper Egypt.
- Contractors at Sukari Gold Mine employ an additional 623 Egyptian nationals, which is 87% of the contractor workforce.
- Each employee received an average of 3.8 days' training in 2017.

Centamin's human resources policy aims to attract, develop and retain the highly skilled workforce needed to operate a world-class gold mine. Under Egyptian law, the number of non-Egyptians employed is capped at 10% of the workforce. As shown on page 49, 71, or just over 5%, of employees at the Sukari Gold Mine are non-Egyptian nationals.

Beyond this, approximately 50% of Sukari Gold Mine employees are from Upper Egypt – the region where Sukari Gold Mine is situated. A number of benefits for the business arise from minimising the number of expats on staff. First and foremost it helps to reinforce social licence to operate, by forming a deep partnership between the Company, the local community and the host government. Secondly, it helps to maintain both a competitive base in terms of costs and a high employee retention rate. Over the last three years, Sukari Gold Mine's employee turnover rates have been exceptionally low at below 1%.


Accommodation at Sukari

Our workforce

Workforce statistics

	Total	Head office and admin offices	Egypt – Sukari Expat	Egypt – Sukari National	Burkina Faso Expat	Burkina Faso National	Côte d'Ivoire Expat	Côte d'Ivoire National
Employees								
Male	1,636	32	71	1,274	6	36	3	214
Female	34	7	0	0	1	5	0	21
Total	1,670	39	71	1,274	7	41	3	235
Contractors								
Male	823	0	90	623	7	49	32	22
Female	10	0	0	0	0	10	0	0
Total	833	0	90	623	7	59	32	22
Total combined workforce	**2,503**	**39**	**161**	**1,897**	**14**	**100**	**35**	**257**

Note to table:
Details of the Company's diversity policy and explanation on cultural considerations at an operational level in Egypt are set out in the nomination committee report.

Despite a mining history that dates back thousands of years to the Pharaohs, Egypt does not have a developed mining industry and Sukari is the only modern mine operating in Egypt.

This means despite high education levels, the mining skills base of the bulk of Centamin's workforce tends to be fairly low and technical skills must be learned on site. An important wider aim of our business is to help modernise Egypt's mining sector, through the development of a highly skilled and knowledgeable workforce. This is an important part of Centamin's contribution to Egypt and is one of the reasons the Company is so committed to employing local people and providing world-class training and skills development opportunities to all employees.

All workers and contractors receive essential safety training as part of the induction process. Centamin also uses a combination of onsite classroom learning, on-the-job learning through skills shadowing and mentors to help employees learn the latest technologies and build the specific knowledge and skill set required for their job. Training is provided at all levels of the Company, from drivers to department heads, and includes both technical skills such as welding, electrical engineering and instrumentation and 'soft' skills such as time and people management.

Centamin also works with the mining departments at a number of Egyptian universities (University of Alexandria and the University of Cairo), to provide short bursaries and the opportunity for work experience at Sukari Gold Mine for students.

In 2017, Centamin provided training on 29 different topics from waste management to working at heights, and in total each employee received an average of 3.8 days' training.

Average training days per employee of Sukari Gold Mine

	2017	2016	2015
Average number of training days per employee	**3.8**	4.7	2.7

Example of training courses provided at Sukari Gold Mine in 2017

Course	Number of people trained
Chemical management	561
Hazard identification and risk assessment	1,286
Working at heights	647
Defensive driving	419
Isolation and lockout	1,295

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**CASE STUDY:
MOHAMMED FARGALLY**

Centamin looks for motivated workers who show initiative, take responsibility and are willing to learn. The aim is to develop the raw talent of Centamin's workforce into highly skilled professionals with the technical knowledge modern mining requires.

Mohammed Fargally, our mining manager, is an Egyptian national from Alexandria, and has been at Sukari Gold Mine almost since inception. He joined the Sukari exploration team as a junior geologist in 1998 after he had completed his military service.

He explains, "I started at Sukari Gold Mine as a junior geologist a very long time ago; they found me at the gates, and right from the start I have had very good training. The expat geologists I worked with were great mentors and every day I learned something new. The Company also sent me to Tanzania and Sudan to develop my experience."

Once the mine became operational, Mohammed was given a role in production and developed further skills, until he became an expat himself for a while. He explains, "The skills and knowledge I built here meant that I was able to spend some time working on projects in Yemen, Sudan and Ghana. This was great experience for me and not something I dreamed would happen. The Government of Yemen has even asked me to give lectures on Sukari Gold Mine and the Egyptian mining industry."

After completing a stint outside Egypt, Mohammed returned to Centamin and Sukari Gold Mine: "After a few years, I decided it was time to come back to Egypt and I am pleased to rejoin my Centamin family," says Mohammed. "Sukari Gold Mine is a flagship project in this region and exciting to be part of. I am a mining manager now, and part of my role is to mentor others and help them grow as I did. Sometimes people leave to become expats. We are always sad to lose good staff, but we are also proud because it means we have done our job well, and it is good for Egypt's mining industry."


Trevor Schultz reviewing operations at the Sukari processing plant

Developing a safety culture

The health and safety of the workforce is essential for Centamin, and the Company is committed to creating a zero-harm working environment. It is critical to the Company's success that all employees come to work every day knowing they are in a safe environment, and that they take responsibility both for their own safety and the safety of their colleagues. Centamin's health, safety and environment policies and procedures are based on a principle of shared responsibility and are designed to ensure everyone shares and contributes to the creation of a safe working environment.

Centamin's HSE policies are underpinned by a rigorous set of safety systems and procedures that comply with all relevant host country laws. Centamin's safety procedures utilise a 'hierarchy of control' approach. This approach first seeks to eliminate or remove any known hazards. Where hazards cannot be removed or eliminated, Centamin looks to use alternative and safer methods or to utilise technology and engineering to minimise exposure to risk. Finally, where risk exposure cannot be removed, risks are managed through careful administration and monitoring – including the compulsory use of personal protective equipment ("PPE").

Centamin's HSE standards are taught to and refreshed for all staff and contractors on an annual basis, and all visitors to site are taught safety procedures and issued with appropriate PPE on arrival. Centamin provides additional special training where needed and has a dedicated emergency response team. Each department also has team members who are trained in first aid and emergency response to act as first responders until the emergency response team arrives. There is also a specially trained underground rescue team for the underground mine, and underground operations include a number of refuge chambers where workers can seek shelter in the unlikely event of rock fall or cave in.

All employees and contractors are required to report all hazards, near misses and incidents for investigation by the HSE department. The HSE team investigate the cause of all incidents and identify corrective and remedial actions to reduce the chance of recurrence. This helps us to identify areas for improvement.

Where events are deemed to occur due to employee disregard for safety standards or negligence, remedial action may include additional training or disciplinary action such as suspension or dismissal, depending on the severity of the incident. To help incentivise continual improvement in safety standards and performance, in 2017, Centamin added achievement of key safety KPIs including hazard reporting targets to the bonus structure, and staff can earn up to 2.5 additional days' salary each quarter for achievement of safety targets (including Take5 completion, no outstanding investigation recommendations and having all staff training up to date).


Maintenance engineer at Sukari Gold Mine

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ZERO TOLERANCE FOR DRUGS AND ALCOHOL

Centamin takes a zero tolerance approach to drugs and alcohol, and random drug and alcohol tests are frequently conducted on site. All employees who fail drug or alcohol tests are subject to disciplinary action or dismissal. Any employee taking medication is expected to notify and register the medication with the onsite doctor, to ensure it will not impact their performance or affect a drug test. The Company also has an alcohol self-detection facility so any employee can test themselves before their shift.

TAKE5 HELPS IMPROVE SAFETY PERFORMANCE

In 2016, to help entrench safe practices and deepen risk assessment understanding, the 'Take5' programme was introduced. This is an additional tool, which compels and helps all employees to conduct final pre-task safety checks to identify and control potential hazards before starting work.

Take5 is not designed to replace formal risk assessments, but to complement them and entrench safety thinking throughout all activities. All employees are issued a Take5 booklet for use. The booklet includes daily forms for completion. Take5 forms require employees to:

- describe the task;
- list the hazards; and
- identify the actions to be taken to control the risk.

During 2017 more than 41,400 Take5 forms were completed and Centamin believes this approach of regular self-directed micro risk assessments has helped drive a decrease in lost time and medical treatment injuries in 2017, despite an increase in hours worked.

The Take5 process

As illustrated in the table below, in 2017 Centamin's LTIFR decreased by 4% on 2016, MTIFR also decreased by 13%. The total number of hazards reported increased by 17% and more than 41,400 Take5 reports were submitted. The improvement in safety performance is largely attributable to an increased focus on hazard awareness, safety training and implementation. This year we also linked part of employee quarterly bonuses to the achievement of safety KPIs.

Centamin's ultimate safety goal is zero harm – that means no fatalities, no lost time injuries and no medical treatment injuries, and we target year-on-year reductions across all these key indicators.

To achieve this, Centamin continues to work daily to build a safety risk and hazard awareness culture into all elements of Sukari Gold Mine, and continues to invest in training for all employees and onsite contractors.

Health and safety performance at Sukari

	2017	2016	2015
Total hours worked	**5,464,321**	5,187,635	5,032,828
LTIs	**7**	7	3
LTIFR(1)	**0.26**	0.27	0.12
MTIs	**11**	12	15
MTIFR(1)	**0.40**	0.46	0.60
AIFR(1)	**4.98**	5.86	4.01
Hazard reports	**310**	266	348
Fatalities	**0**	0	1

(1) Per 200,000 hours worked.

Underground operation at Sukari Gold Mine

DEVELOPING A SAFETY CULTURE

In the remote part of Egypt where the Sukari Gold Mine operates, awareness of basic safety standards and risks has historically been very limited or almost non-existent. The wearing of seat belts in cars, for example, is rare and not publicly enforced, nor is protective equipment readily available or used. Centamin works hard at the Sukari Gold Mine to develop and maintain a robust safety culture with the highest standards.

For this reason, safety is one of Centamin's top priorities. Safety awareness and training is a core part of every employee induction, and the Company uses a variety of methods to strengthen safety awareness and culture on site.

The cornerstone of Centamin's approach to safety is communication. Centamin aims to maintain a constant flow of safety information throughout the Company. Every shift begins with a pre-start meeting, which includes a safety item and a reminder to complete Take5 forms. One of the key messages used to drive home the importance of following safety procedures is to relate safe work practices and risk assessment to family. Centamin reminds staff they are responsible not just for themselves but also their workmates and that everyone wants to return home unharmed at the end of each shift or rotation.

Centamin also uses hard-hitting graphic information posters throughout site to remind staff of the importance of following safety rules. The posters cover both onsite issues such as appropriate control procedures, and in-camp and leisure time behaviour – such as the fire risk from smoking in bed.

Centamin's efforts to promote the importance of safe behaviour extend beyond the mine gates too. Regular toolbox meetings remind staff that safety measures such as wearing a seat belt are as important off site as on.

CORPORATE SOCIAL RESPONSIBILITY
continued

Developing strong and stable industrial relations

Centamin's employees are a critical part of the Company, and this view sets the tone for Centamin's approach to industrial relations. All employees are free to join trade unions and, at Sukari Gold Mine, Centamin helped employees to establish a union following the first revolution in 2011. Approximately 40% of the workforce at the Sukari Gold Mine are members of the union. Union representatives meet regularly with the Sukari Gold Mine general manager to discuss any requests or issues should they arise. Stable industrial relations have prevailed for much of the mine life to date, with zero days lost to strike action or industrial unrest since 2011.

Centamin attributes the stable industrial relations to the mutual respect it tries to build with the workforce, and the generous remuneration and bonus packages available. For example, onsite cleaners receive approximately five times more than the average base salary in Egypt. The Company's bonus schemes offer up to 200 days' salary for achievement of all production and safety KPIs.

Developing a diverse workforce

Centamin is an equal opportunity employer and the Company's code of conduct prohibits any form of discrimination. However, no women are employed at the Sukari Gold Mine. 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. Local regulations include a number of provisions to restrict the working hours (between 7.00pm and 7.00am) and type of work women can undertake on an operational mine site; these include restrictions on working underground, working with explosives and operating mobile equipment.

However, four women are employed in the Alexandria office. In West Africa, women make up a higher proportion of the employees and contractors. Women are also represented at senior management level, for example Centamin's group sustainability and business development manager is female. Across the group a total of 34 women are employed. Centamin works to ensure women have pay parity with men in similar positions.


Food preparation area at the Sukari bakery

Building mutually beneficial relationships with local communities

- US$500,000+ community investment in 2017, more than threefold 2016 levels.
- US$2 million+ invested in community projects since 2015, including new equipment for Marsa Alam public hospital, upgraded roads in Côte d'Ivoire, and construction of classrooms in Côte d'Ivoire and Burkina Faso.
- Nearly US$50 million of goods and services procured from local communities in 2017.

Strong and mutually beneficial community relations are critical to Centamin's ongoing success. That is why Centamin seeks to build and maintain strong and open relationships with local communities in a number of different ways. Firstly, by recruiting from local communities, secondly by utilising local suppliers to multiply the economic impact of operations, and finally through direct contributions to help communities develop the schools, hospitals and other infrastructure they need to blossom. This is particularly important for the Sukari Gold Mine given the long term nature of the exploitation lease, which allows for 30 years of mining and includes the possibility for an extension of an additional 30 years.

Centamin's community development contributions are decided in consultation with local communities, local and national government and Centamin representatives. Community leaders such as the mayor or community elders can formally request specific items or contributions to projects, and sometimes mine management and government representatives may suggest specific projects. All community investment and development decisions are discussed and signed off at operational management level, or at board level for larger investments.

The approach to community project funding focuses on addressing six key themes:

- addressing infrastructure needs;
- assisting with income generating initiatives;
- enhancing education and improving educational opportunities for local communities;
- improving access to healthcare;
- improving social welfare and enhancing livelihood; and
- involvement in social activities.

Performance

As shown overleaf Centamin has spent more than US$2 million on community projects since 2015. In 2017, the Company invested more than half a million dollars on community projects, a threefold increase on 2016.

The bulk of this has been spent on projects near to Sukari Gold Mine – the Company's only operational site, particularly at Marsa Alam, a town 25km from Sukari Gold Mine and the site's nearest community. Over US$300,000 was spent on community projects in Egypt, which includes the purchase of a CT scanner for one of the public hospitals in Marsa Alam (see case study – 'A scanner in the works'). Centamin also increased its contributions for the communities near exploration projects in Burkina Faso and Côte d'Ivoire, building classrooms for nearby schools, and donating medical supplies and anti-venoms to local medical centres.

Local market in Côte d'Ivoire


CORPORATE SOCIAL RESPONSIBILITY continued

Community spend 2015-2017

Community spend	2017 US$	2016 US$	2015 US$	Total US$
Egypt	**333,484**	67,731	1,317,655	1,718,870
Burkina Faso	**70,772**	58,890	70,526	200,188
Côte d'Ivoire	**175,649**	45,523	1,080	222,252
Total	**579,905**	172,144	1,389,261	2,141,310

Note to table:
In 2016 generators donated to Marsa Alam power station to the value of US$1,095,868 are not shown in this table.

COMMUNITY HEALTH

Emergency response unit at Sukari

A SCANNER IN THE WORKS:
IMPROVING ACCESS TO HEALTHCARE IN UPPER EGYPT

Marsa Alam, the town closest to Sukari Gold Mine, is located in a remote area of Upper Egypt, and access to essential healthcare services is limited. Marsa Alam has two public hospitals, however they are small regional hospitals and do not have a full suite of modern medical equipment. This means that when serious illness or injury occurs,people have to travel to larger hospitals in either Hurghada or Edfu for diagnosis or treatment. Both Hurghada and Edfu are more than 200km, or a three-hour drive on sometimes poorly maintained roads, from Marsa Alam.

As part of the focus on improving access to healthcare for local communities, in 2017 Centamin approached Marsa Alam hospital and consulted with government to identify any facilities or equipment it could contribute to improve health services for the community. The hospital and government requested a CT scanner, and ensuring the hospital had space and appropriately trained staff to use it. Centamin agreed to provide a scanner and the associated equipment to Marsa Alam hospital.

The scanner will arrive and be ready for use in 2018. This will help to improve healthcare for the local community and it may also create benefits for Centamin operations. If a serious accident occurs on site or a worker falls seriously ill, they can be fully checked over quickly.

Supply chain management

Centamin recognises that the supply chain is a potentially enormous lever for economic development for host communities and countries. Using local companies can create additional employment opportunities in host communities and help to increase in-country skill levels and expertise. Therefore, the Company's approach is to utilise local skills and products wherever practicably possible and economically viable.

All suppliers are subject to Centamin's code of conduct and sustainability policies, and supplier contracts include clauses to ensure respect for the human rights and commitments to anti-bribery and corruption standards.

In 2017, 324 (or 44%) of all Centamin's suppliers at Sukari Gold Mine were Egyptian, and US$50 million, or more than 21% of Centamin's total procurement spend, was with Egypt-based suppliers. Over the past three years Centamin has paid nearly US$200 million to Egyptian suppliers.

Closure planning

The successful closure of a mine is as important as the successful operation of a mine. Centamin's closure planning is guided by the legislative requirements of host countries and relevant international best practice guidelines. The aim at closure is to restore all sites and the surrounding environment to a stable and sustainable condition with as much original biodiversity as possible restored, and to ensure all health and safety requirements are met.

Currently, the Sukari Gold Mine in Egypt is Centamin's only operational site. Sukari Gold Mine has a large reserve base and operating licence of 30 years with provision to extend for another 30 years, so the project has a long life. However, a proportion of every annual budget is ring-fenced for the closure fund. A provision is made for the ongoing and continual rehabilitation and restoration of land throughout the mine life.


Geologist in the Cleopatra development drive at Sukari

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Responsible management of natural capital

- Reduction in environmental incidents by 41% over two years (although up 23% from the prior year)
- 24% reduction in fresh water off take and a 99% increase in water recycling over two years.
- CDP water and carbon questionnaires completed for the first time.

Centamin's approach to environmental management is underpinned by a belief that it must act as a responsible steward of the environment.

Centamin's commitment to environmental responsibility is formally set out in the HSE policy, which commits us to:

- ensure compliance with all relevant local legislation, the conditions of licences and permits, and international best practice standards;
- implement the necessary control measures for the responsible management of critical natural resources such as water; and
- ensure negative impacts to the environment are minimised as far as practicably possible.

Centamin's approach starts at the feasibility stage of any project with ESIAs undertaken. These assessments help us to understand the specific environmental risks linked to projects and are used to inform a site-specific environmental management system, which is in line with national regulations.

Environmental management systems also include robust documentation and monitoring systems to ensure registers and permits are up to date.

Sukari Gold Mine's environmental management system, for example, includes a regular monitoring programme to evaluate performance against national environmental laws and international industry best practice. The monitoring programme covers all aspects of onsite environmental management, including chemicals and hazardous substances, energy and emissions, water use, biodiversity and waste management.

Environmental incidents

One of the most important ways Centamin monitors environmental performance is by tracking environmental incidents that occur on, or near, site. A risk matrix is used to assess environmental risks, and determine the consequence of a negative environmental incident that may occur.

As illustrated below, a total of 27 environmental incidents occurred at the Sukari Gold Mine in 2017, a 23% increase on 2016, and a 41% reduction over two years. The bulk of Centamin's environmental incidents tend to be limited to localised spills of hydrocarbons or process water.

All incidents are reported to the relevant authorities and the appropriate clean-up action is quickly taken. For any incident that involves hazardous chemicals or materials, in line with best practice, specially trained staff members undertake the clean-up activities. Centamin's target is to reduce the number of Level 1 to 3 environmental incidents year-on-year, and to have zero Level 4 or 5 incidents.

Centamin has no Level 5 environmental incidents in its corporate history. The only Level 4 incidents in the last three years occurred in 2015; both involved ruptures to the tailings line from the process plant. As a result of these incidents, the Company introduced new administrative and engineering controls and upgraded the tailings line.

Environmental incidents at Sukari Gold Mine

	2017	2016	2015
Level 5 – Catastrophic	—	—	—
Level 4 – Major	—	—	2
Level 3 – Moderate	3	4	5
Level 2 – Minor	15	10	30
Level 1 – Negligible	9	8	9
Total	27	22	46

Energy and emission management

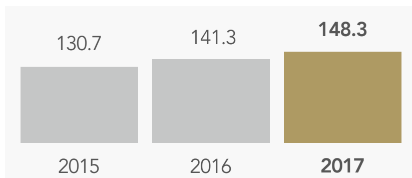
From the pit to the plant, Centamin's approach to energy is focused on steady and secure supply of power to operations. Sukari Gold Mine is located in a remote area of Upper Egypt where no connection to the national grid is available. The nearby city of Marsa Alam has its own power plant, however its capacity would not be enough to meet industrial needs. Therefore, all of Sukari Gold Mine's power needs are met by a combination of MAK and Wartsilla diesel-fired generators with a combined 68MW onsite power station.

This reliance on diesel generators for power means the bulk of Centamin's greenhouse gases flow from the onsite power station. Centamin constantly reviews the viability of alternative power sources to fuel operations, and some solar energy is already used – for example, in areas of the employee camp at Sukari Gold Mine. During 2017, Centamin's board approved the preparation of a feasibility study for the installation of a 15MW solar power plant on site at Sukari as a lower cost, clean energy alternative for diesel fuel. It is hoped this will generate enough power to allow one of the older, less efficient diesel generators to be switched off. This will reduce both overall greenhouse gas ("GHG") emissions and diesel costs. (See case study 'Renewing power options'.)

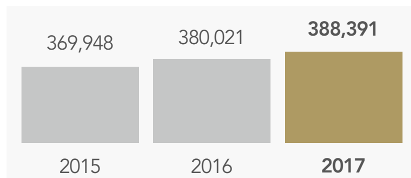
As shown below, in 2017 Sukari Gold Mine consumed 388,931MWh of power; this represents a 2% increase on 2016 power consumption, and is in line with an increase in production throughput during 2017. Importantly, Centamin's energy efficiency per tonne of ore milled decreased by 3%; this is due to increased use of the newer and more efficient MAK generators. Alongside this increase in power consumption, as shown below, fuel consumption at Sukari Gold Mine increased 5% in 2017 to 148.3 million litres.

During 2017, Centamin completed the CDP emissions investor response and formally calculated GHG emissions for Sukari Gold Mine for the first time. In 2016 Centamin's scope 1 and 2 emissions were 395,932.93 $CO_{2}e$ and emissions intensity was 34.25 per tonne of ore milled; these figures will provide the baseline for future emissions reporting and help to set emission reduction targets.

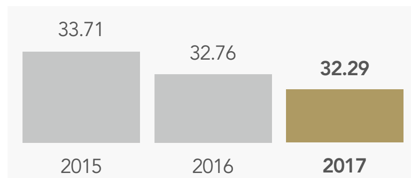
FUEL CONSUMPTION
(million litres)



ELECTRICITY CONSUMED
(MWh)



ENERGY EFFICIENCY
(KWh/tonnes milled)



Solar panels utilised at remote locations at Sukari

RENEWING POWER OPTIONS

The remote part of Upper Egypt where Sukari Gold Mine is situated has no direct access to Egypt's national grid. The nearby city of Marsa Alam has its own power station, however its capacity is only enough to meet the needs of Marsa Alam residents and not the demanding loads of a large-scale mine such as Sukari Gold Mine.

Currently Sukari Gold Mine's power needs are met by two onsite diesel power stations generating combined power of 68MW. Using diesel generators, however, adds to overall operating costs and generates the bulk of all Sukari Gold Mine's greenhouse gas emissions. Centamin has been monitoring and assessing the feasibility and economic viability of other forms of power generation, including renewables, for Sukari Gold Mine.

Given Sukari Gold Mine's location in Egypt's Eastern Desert, where there is a year-round supply of sunlight, solar power is an obvious option. Sukari Gold Mine already has some solar photovoltaics on site to help meet the needs of part of the employee camp, and this year decided that the falling costs of photovoltaic technology make solar a cost-effective option to install on a larger scale.

Centamin's board has approved the preparation of a feasibility study for the installation of a 15MW solar power plant on site at Sukari as a lower cost, clean energy alternative for diesel fuel. It is hoped that this will allow the Sukari Gold Mine to reduce the use of, or turn off completely, one of the older and less efficient MAK generators. If successful, further solar power may be added to the Sukari Gold Mine's energy mix in the future.

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CORPORATE SOCIAL RESPONSIBILITY
continued

Managing water

Mining is a thirsty business, and many activities and processes across the gold mining cycle require a secure, steady supply of significant amounts of water to operate effectively. The Sukari Gold Mine is situated in Egypt's Eastern Desert, an area that receives on average 1mm of rainfall annually and one of the driest parts of the world. Therefore, responsible management of water at Sukari Gold Mine is critically important.

Sukari Gold Mine's desert location means ground water supplies are limited, therefore seawater from the Red Sea, which is 25km away from the mine site, is Sukari Gold Mine's primary water source. Ease of access to the Red Sea was a critical consideration when deciding where to position the mine. More than 99% of the water used on site is seawater, and the process plant was built to use salt water. There is a reverse osmosis desalination plant on site, which treats seawater to provide potable water for use in the camp and administration blocks, and during the final stages of the extraction process.

Strict permits under Egyptian national regulations govern all water abstracted and to ensure permit limits are not exceeded, the pipeline from the Red Sea has been designed to be no more than 60mm in diameter, which means it is physically impossible to exceed permitted abstraction limits.

Recognising water is a precious resource, Centamin aims to use all water as efficiently as possible. There are a number of closed loop cycles throughout the process plant and the onsite sewage treatment plant, and Centamin thickens tailings to maximise water recycling.

Centamin does not discharge any water back into the environment. Any remnant water stored at the tailings storage facility (TSF) is pumped back to the process plant for reuse as required, or is lost through evaporation. The average evaporation rate at Sukari Gold Mine is about four metres per year. Recycling water also makes business sense; it takes a significant amount of energy to pump water the 25km from the Red Sea and to run the desalination plant.

During 2017, Centamin abstracted a total of 7,404 million litres of water. This is 1,312 million litres less than in 2016, a 15% improvement on 2016. At the same time, water use efficiency has improved 34% since 2015 and water recycling rates have improved from 26.5% in the same time period to 52.8%, an improvement of 99% over the last two years. Reusing and recycling water throughout our operations reduces the amount of water we need to abstract from the Red Sea and it also helps to reduce our costs – as it reduces the need for pumping along the pipeline, saving power and the associated fuel costs and reducing emissions.

TOTAL WATER OFFTAKE (million litres)

2015	2016	2017
9,723.77	8,716.94	**7,404.60**

WATER USE EFFICIENCY (KL/tonne milled)

2015	2016	2017
0.92	0.75	**0.61**

TOTAL WATER RECYCLED (million litres)

2015	2016	2017
2,582.57	3,913.28	**3,936.64**

WATER RECYCLED (%)

2015	2016	2017
26.51	44.76	**56.27**


Tailings storage facility at Sukari

Managing biodiversity

The size, scale and location of mining operations often mean they can have a negative impact on nearby flora and fauna. Centamin takes due care to minimise the negative effects its mining activities may have on the local environment, and to restore sites and repair any damage done as much as practicably possible. Centamin operations do not impact the habitats of any endangered species.

To align with industry best practice, Centamin makes detailed records of the full range of biodiversity present on a site as part of the ESIA. The Company also ring-fences a portion in every annual budget for ongoing site and closure restoration to ensure all sites are restored to emulate their original state or better when operations cease.

At Sukari Gold Mine, the local area is barren desert, with minimal flora and fauna. Therefore, there is limited need to restore habitat, and the focus is to ensure the site is stable with limited scope for erosion.

The most significant biodiversity challenge arises from the pipeline to the Red Sea, which is a popular diving spot and noted for its spectacular coral reefs and range of fish. When planning the pipeline, great care was taken to ensure the pipeline was positioned in an area without coral reef and the pipeline is fitted with a series of micro-grills to ensure no fish or other life enter the pipes. (See case study 'Pipeline positioning helps protect Red Sea biodiversity'.)

Centamin expects to encounter significantly different biodiversity challenges at the West African exploration sites, and will undertake ESIAs and baseline biodiversity surveys to assist in developing detailed biodiversity action plans for each project, should they proceed into feasibility stage.


Depicting naturally occurring coral reefs along the red sea coastline

**PIPELINE POSITIONING
HELPS PROTECT RED SEA BIODIVERSITY**

Almost all of Sukari Gold Mine's operational water needs are met via a pipeline connecting the site to the Red Sea. The Red Sea is a popular tourist spot and known globally for its coral reefs, beautiful beaches and diving. With an estimated $16,000km^2$ of coral reef coverage, the Red Sea is also home to many different species of fish and other sea life and is regarded as a biodiversity hotspot.

Therefore, ensuring Sukari Gold Mine has zero or minimal impact on the sea's biodiversity and tourism is of critical importance to Centamin. This was a central consideration for the design, positioning and construction of the pipeline.

Prior to construction, an ESIA was completed and a number of supporting studies, including an independent bathymetric survey to ensure the pipeline's path position avoided coral reefs. Pipes enter the Red Sea at the beach area at Marsa Umm Tundubah – where the land isn't occupied or grazed – and the sea doesn't have any back reef. The pipeline extends 200 metres into the sea and is buried in a specially built trench to minimise disturbance to sea life or divers. The construction methods for the pipe and trench were carefully considered and chosen to minimise sediment movement from trenching.

The pipeline opening is covered by a mesh screen to prevent fish or small organisms entering it. It is also fitted with an internal travelling screen, as a back-up measure should the first screen fail. The pipeline is also subject to regular inspections and maintenance.

CORPORATE SOCIAL RESPONSIBILITY continued

Waste management

Centamin takes great care to ensure all waste is managed in a responsible way, particularly hazardous waste such as cyanide. The Company has waste management plans and control systems that apply to all types of discard and these plans have at their core the need to reduce, reuse and recycle waste wherever possible.

Centamin's most significant waste generated by volume is waste rock and tailings, or 'overburden', which is placed in specially designated waste rock dumps throughout the site. The waste rock dumps are carefully controlled by geotechnical engineers and slopes are shaped to ensure stability.

Tailings are sent to the TSF for disposal and low-grade ore which does not meet the minimum grade benchmark for processing is deposited on the dump leach site, where cyanide is applied and gold is recovered in a cost-effective manner. Both the dump leach site and the TSF are specially lined to prevent any seepage into groundwater, and nearby groundwater is regularly monitored to ensure no seepage has occurred. The TSF is also inspected on a regular basis.

All hazardous waste, including cyanide, has specific procedures to ensure safe and responsible disposal. Centamin's use of cyanide is governed both by the principles of the International Cyanide Management Code, and the requirements of Egyptian regulations.

All employees and contractors working with cyanide receive special training in safe handling techniques and Centamin has cyanide-specific emergency response plans in place should any accident occur. The Company's strict processes and procedures governing cyanide use and management are also applied throughout the supply chain, including in the procurement, transport, storage and application of cyanide.

Tailing and waste rock

	2017 tonnes	2016 tonnes	2015 tonnes
Dry tailings	**12,031,915**	11,554,077	10,570,272
Waste rock	**54,780,595**	49,944,828	49,019,483
Waste to landfill	**363,242**	304,345	340,896

Managing air quality

Managing and minimising dust on site is a critical part of worker health and safety. Excess dust reduces visibility on site and can hamper working conditions. It can also lead to breathing difficulties or eye irritation for workers or for community members.

Centamin follows international best practice guidelines to monitor and manage air quality on site. There are several monitoring stations to measure dust on site and these are checked weekly to assess airborne particulate counts. The Company aims to ensure airborne particulate levels are less than 500mg/m^2 per day. To help suppress dust, water sprayers are fitted to crushers, and onsite and haul roads are regularly sprayed with raw salt water or treated effluent.

OPERATIONAL REVIEW

In this section we feature our operational performance and exploration review for 2017.

Health and safety – Sukari

The Lost Time Injury Frequency Rate ("LTIFR") for 2017 was 0.26 per 200,000 man hours (2016: 0.27 per 200,000 man hours), with a total of 5,464,321 man hours worked during 2017 (2016: 5,187,635). 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 2018 towards our zero-harm target. Further details of the safety initiatives, employee welfare and relevant government relations are set out in the CSR report on page 38.

Open pit

The open pit delivered total material movement of 70.9Mt, a 14% increase on the prior year (62.2Mt in 2016). This increase was related to improved mining productivity and equipment utilisation. The strip ratio was 3.4, a reduction from 4.68 in 2016, as ore mining focused on the Stage 3B areas.

Ore production from the open pit was 16.1Mt at 0.66g/t, with an average head grade to the plant of 0.89g/t. The ROM ore stockpile balance increased by 1,607kt to 2,178kt by the end of the year. Ore mining was primarily from the Stage 3B area, which provided access to higher-grade sulphide portions of the orebody during 2017.

In 2018, total material mined is forecast at 70.5Mt, with total ore mined of 17.7Mt at a grade of 0.7g/t. Total waste planned is 52.8Mt. The strip ratio is planned at 3.0. Mining activities will be focused in the mining area of Stage 4A with 70Mt of material planned, with the remaining 0.5Mt mined from Stage 3B during Q1 2018. Stage 4A will be the primary source of ore for the year providing 17.3Mt at 0.68g/t of the ore mined for the year. Stage 3B will provide the balance of approximately 0.44Mt at 1.3g/t. Stage 4A will continue to be the predominant source of open pit ore until June 2021.

Underground mine

The underground mine produced 1.14Mt of ore, a 13% increase on the prior year (1.02Mt in 2016). Ore from stoping accounted for 60% (0.68Mt) of the total, with the balance of ore (0.46Mt) from development. The average mined head grade was 8.3g/t, above our 7.3g/t forecast. The average grade from stoping was 8.9g/t (9.1g/t in 2016) and the average grade from development was 7.4g/t (9.0g/t in 2016), a 2% and 18% decrease, respectively, on the prior year.

During the second, third and fourth quarters, production was increased to be closely aligned with a 1.3Mtpa run rate. Tonnage and lower-grade stockwork stopes on the western contact and in the central zone were produced predominantly together with stoping of a high-grade lode in the Ptah. Stoping was shared between 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 and the North/South dipping high-grade quartz vein sitting amid haematite altered porphyry and meta-sediments at Ptah.

Underground development advanced 6,981 metres, including progression of the Horus and Ptah declines. This development comprised 4,257 metres in Amun and 2,724 metres in Ptah.

The exhaust circuit for the Ptah and Horus declines was progressed, ensuring sufficient ventilation as both declines extend deeper into the orebody.

A total of 10,672 metres of grade control drilling were completed, aimed at short term mine planning and resource development. A further 33,800 metres of underground diamond drilling continued to test for reserve extensions below the current Amun and Ptah zones, with extensive drilling also being undertaken at the Cleopatra zone of Sukari Hill. Further details and underground drilling results are discussed in the exploration section of this report.

OPERATIONAL REVIEW
continued

Processing

The Sukari plant processed a record 12.03Mt of ore in 2017, a 4.1% increase on the prior year (11.56Mt in 2016) and 2.4% above our 11.75Mt forecast. Productivity continued to increase throughout the year, with a record 3.1Mt processed during the fourth quarter, reflecting the ongoing improvement on availability and productivity of the circuit.

Metallurgical recovery averaged 88.1%, a 1.5% decrease on the prior year (89.4% in 2016). Work is continuing to optimise the operational controls and stability for flotation, the ultra-fine grinding and pyrite leach circuits to ensure recoveries are improved with a target rate of 89.5% at the increased rate of throughput.

The dump leach operation produced 8,597 ounces during the year.

The 2018 production guidance is based on a forecast production rate of 12.3Mt, with an annual average gold recovery of 89.6%. Grades are expected to remain steady throughout the year, averaging 1.60g/t.

Sukari Gold Mine production summary	Year ended 31 Dec 2017	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Year ended 31 Dec 2016	Q4 2016
Open pit mining							
Ore mined[(1)] ('000t)	**16,090**	5,726	4,825	3,060	2,478	10,949	2,183
Ore grade mined (g/t Au)	**0.66**	0.62	0.76	0.76	0.47	0.93	0.85
Ore grade milled (g/t Au)	**0.89**	0.92	1.11	0.81	0.72	0.95	0.85
Total material mined ('000t)	**70,870**	17,647	18,602	17,493	17,129	62,238	15,810
Strip ratio (waste/ore)	**3.40**	2.08	2.86	4.72	5.91	4.68	6.24
Underground mining							
Ore mined from development ('000t)	**461**	130	113	119	99	454	103
Ore mined from stoping ('000t)	**684**	168	189	174	153	565	125
Ore grade mined (g/t Au)	**8.28**	8.80	7.98	8.79	7.44	9.04	10.43
Ore processed ('000t)	**12,032**	3,072	2,996	3,056	2,908	11,559	2,948
Head grade (g/t)	**1.57**	1.70	1.82	1.44	1.29	1.65	1.62
Gold recovery (%)	**88.1**	88.5	88.3	86.7	88.8	89.4	89.9
Gold produced – dump leach (oz)	**8,597**	3,119	1,692	1,738	2,048	9,872	2,550
Gold produced – total[(2)] (oz)	**544,658**	154,298	156,533	124,641	109,187	551,036	136,787
Cash cost of production[(3,4)]	**554**	453	483	609	734	513	536
Open pit mining (US$/oz)	**210**	160	180	234	286	179	198
Underground mining (US$/oz)	**40**	34	33	41	55	43	46
Processing (US$/oz)	**269**	224	244	296	347	253	254
G&A (US$/oz)	**35**	35	26	38	46	38	38
AISC[(3,4)]	**790**	744	732	829	887	694	720
Gold sold (oz)	**539,726**	153,490	150,273	120,912	115,052	546,630	130,959
Average realised sales price (US$/oz)	**1,261**	1,278	1,283	1,249	1,220	1,256	1,207

(1) Ore mined includes 2,064kt @ 0.32g/t delivered to the dump leach in Q4 2017 (117kt @ 0.21g/t in Q4 2016).
(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.

Mineral reserve and resource statements

During the year, Centamin updated its mineral resource and mineral reserve estimates for the Sukari Gold Mine, as at 30 June 2017.

The total measured and indicated mineral resource estimate of 11.7Moz Au is reported as an open pit resource at a 0.3g/t cut-off grade. This total is inclusive of the 1.6Moz underground mineral resource. The open pit and surface stockpile mineral reserve estimate is 7.2Moz and the underground mineral reserve estimate is 5.4Mt containing 0.8Moz gold. The total combined open pit and underground mineral reserve estimate of 8.0Moz represents an increase in underground reserves offsetting total depleted ounces from the production of 1.0Moz between 30 June 2015 and 30 June 2017.

Resource and reserve definition drilling continues to target higher-grade areas of the Sukari deposit, in parallel with expanding underground infrastructure. Positive results from the ongoing drilling programmes are discussed in the following section.

Total mineral resource for the Sukari Gold Mine

	As at 30 June 2017									
	Measured		Indicated		Total measured and indicated			Inferred		
Cut-off (g/t)	**Tonnes (Mt)**	**Grade (g/t)**	**Tonnes (Mt)**	**Grade (g/t)**	**Tonnes (Mt)**	**Grade (g/t)**	**Gold (Moz)**	**Tonnes (Mt)**	**Grade (g/t)**	**Gold (Moz)**
0.3	**240**	**1.02**	**145**	**0.84**	**385**	**0.95**	**11.75**	**25**	**0.80**	**0.64**
0.4	**199**	**1.15**	**114**	**0.97**	**313**	**1.09**	**10.95**	**19**	**0.90**	**0.58**
0.5	**167**	**1.29**	**92**	**1.10**	**259**	**1.22**	**10.17**	**15**	**1.1**	**0.52**
0.7	**121**	**1.55**	**62**	**1.34**	**183**	**1.48**	**8.72**	**10**	**1.3**	**0.43**
1.0	**80**	**1.92**	**36**	**1.70**	**116**	**1.85**	**6.90**	**6**	**1.7**	**0.31**

	As at 30 June 2015									
	Measured		Indicated		Total measured and indicated			Inferred		
Cut-off (g/t)	Tonnes (Mt)	Grade (g/t)	Tonnes (Mt)	Grade (g/t)	Tonnes (Mt)	Grade (g/t)	Gold (Moz)	Tonnes (Mt)	Grade (g/t)	Gold (Moz)
0.3	198	1.05	188	1.02	386	1.03	12.9	33	1.0	1.1

Notes to tables:
- The effective date of the reserve and resource statement is 30 June 2017 or 30 June 2015 as relevant.
- Totals may not equal the sum of the components due to rounding adjustments.
- The mineral resource estimate is based on the open pit mined surface as at 30 June 2017 and adjusted for underground mine workings as at 30 June 2017.
- All available assays as at 30 June 2017.
- Resource dataset comprises 311,419 two-metre down hole composites and surface rock chip samples.
- Mineral resources are reported inclusive of those resources converted to proven and probable mineral reserves.
- The resources are estimates of recoverable tonnes and grades using multiple indicator kriging with block support correction.
- Measured resources lie in areas where drilling is available at a nominal 25 x 25 metre spacing, indicated resources occur in areas drilled at approximately 25 x 50 metre spacing and inferred resources exist in areas of broader spaced drilling.
- The resource model extends from 9700mN to 12200mN and to a maximum depth of 0mRL (a maximum depth of approximately 1,000 metres below wadi level).

Main access to Cleopatra underground development at Sukari

OPERATIONAL REVIEW
continued

Underground mineral resource for the Sukari Gold Mine (included within the total resource above)

	As at 30 June 2017			As at 30 June 2015		
	Tonnes ('000t)	**Grade (g/t)**	**Gold ('000oz)**	Tonnes ('000t)	Grade (g/t)	Gold ('000oz)
Measured	**1,947**	**8.9**	**554**	1,850	6.5	390
Indicated	**5,492**	**6.0**	**1,065**	2,820	7.0	630
Total M&I	**7,439**	**6.8**	**1,619**	4,670	6.8	1,020
Inferred	**6,711**	**4.5**	**976**	6,970	5.6	1,240

Notes to table:
- The effective date of the reserve and resource statement is 30 June 2017 or 30 June 2015 as relevant.
- Totals may not equal the sum of the components due to rounding adjustments.
- The mineral resource is reported above 2g/t within interpreted mineralised domains.
- The mineral resource estimate is depleted by underground mine workings as at 30 June 2017.
- All available information has been used, including mapping from underground mining and assays as at 30 June 2017.
- Available resource data resulted in 41,277 one-metre down hole composites used for grade estimation.
- The mineral resources were estimated utilising a single indicator weighted kriging method ("IK") to estimate gold for each of the mineralisation domains.
- Measured mineral resources are defined by a drill spacing of at least 20m x 20m and confined to the interpreted mineralisation defined by underground mine development. Indicated mineral resources are defined as areas outside the measured mineral resource and defined by approximately 20m x 20m drill spacing. Inferred mineral resources include all remaining estimated mineralisation defined by a drill spacing of approximately 50m x 50m.
- Mineral resources are reported inclusive of those resources converted to proven and probable mineral reserves.
- The underground resource is located within the boundaries of the total resource, and is included within that total.
- For previous resource notes, please refer to Centamin press release dated 10 September 2015.

Total combined (open pit and underground) mineral reserve for the Sukari Gold Mine

	Proven		Probable		Mineral reserve		
	Tonnes (Mt)	Grade (g/t)	Tonnes (Mt)	Grade (g/t)	Tonnes (Mt)	Grade (g/t)	Gold (Moz)
As at 30 June 2017[1-4]	**170**	**1.02**	**74**	**1.01**	**244**	**1.00**	**8.0**
As at 30 June 2015[5]	152	1.03	101	1.15	253	1.09	8.8

Notes to table:
- The effective date of the reserve and resource statement is 30 June 2017 or 30 June 2015 as relevant.
- Totals may not equal the sum of the components due to rounding adjustments.

(1) Total includes:
- Open pit mineral reserve = 229Mt @ 1.0g/t for 7.0Moz.
- Underground mineral reserve = 5.4Mt @ 4.60g/t for 0.8Moz.
- Stockpiles = 10Mt @ 0.50g/t for 0.2Moz.

(2) Based on open pit mined surface as at 30 June 2017, underground mine workings as at 30 June 2017, and a gold price of US$1,300 per ounce.
(3) Ultimate open pit design has a waste to ore ratio of 5.3:1.
(4) See additional notes in tables below for the underground and open pit mineral reserves.
(5) As at 30 June 2015 at US$1,300 per ounce, please refer to Centamin press release dated 10 September 2015.

Open pit mineral reserve by classification

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

	As at 30 June 2017			As at 30 June 2015		
	Tonnes (Mt)	**Grade (g/t Au)**	**Gold (Moz)**	Tonnes (Mt)	Grade (g/t Au)	Gold (Moz)
Proven	**159**	**1.02**	**5.2**	130	1.11	4.6
Probable	**70**	**0.80**	**1.8**	99	1.07	3.4
Stockpile – proven	**10**	**0.52**	**0.2**	21	0.42	0.3
Total	**239**	**0.93**	**7.2**	250	1.03	8.3

Notes to table:
- The effective date of the reserve and resource statement is 30 June 2017 or 30 June 2015 as relevant.
- Totals may not equal the sum of the components due to rounding adjustments.
- Based on mined surface as at 30 June 2017 and a gold price of US$1,300 per ounce.
- Cut-off grades (gold): CIL oxide 0.35g/t, CIL transitional 0.35g/t, CIL sulphide 0.35g/t, dump leach oxide 0.2g/t.
- Designed underground reserves detailed below do not form part of the open pit reserve.
- For previous reserve notes, please refer to Centamin press release dated 10 September 2015.

Underground mineral reserve by classification

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

	As at 30 June 2017			As at 30 June 2015		
	Tonnes (Mt)	**Grade (g/t Au)**	**Gold ('000oz)**	Tonnes (Mt)	Grade (g/t Au)	Gold ('000oz)
Proven	**0.7**	**8.5**	**200**	1.0	6.1	200
Probable	**4.0**	**4.4**	**569**	1.7	5.9	320
Sub-total	**4.7**	**5.1**	**769**	2.7	6.0	520
Development (probable)	**0.6**	**0.9**	**18**	—	—	—
Total	**5.4**	**4.5**	**787**	2.7	6.0	520

Notes to table:
- The effective date of the reserve and resource statement is 30 June 2017 or 30 June 2015 as relevant.
- Totals may not equal the sum of the components due to rounding adjustments.
- Based on underground mine workings as at 30 June 2017.
- Long hole stopes for reserves estimation are designed using a 3.0g/t elevated cut-off and mining dilution applied at 15% @ 0.4g/t as all stopes are located in mineralised porphyry and 10% mining loss is then assumed to allow for stope bridges and material left in stopes after mining. For shallow dipping long hole stopes a 50% mining loss has been assumed.
- Room and pillar stopes for reserves estimation are designed using a 3.0g/t elevated cut-off and mining dilution applied at 10% @ 0.8g/t as all stopes are located in mineralised porphyry and 40% mining loss is then assumed to allow for non-recovered pillars and material left in stopes after mining.
- Mineral resources are reported inclusive of those resources converted to proven and probable mineral reserves.

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 orebody remains open to the north, south and at depth and further underground drilling of the Sukari deposit will take place during 2018, from across the existing and planned areas of development.

Amun

Hole number	Interval (m)	Au (g/t)
UGRSD0804	2.55	151.6
	1.0	337.2
UGRSD0805	3.4	21.3
UGRSD0806	3.2	79.5
UGRSD0808	1.1	41.1
	1.0	55.3
	2.2	49.2
	5.8	59.9
UGRSD0810	4.0	31.9
UGD3524	4.0	70.1
UGD3510	4.1	71.8

Bast

Hole number	Interval (m)	Au (g/t)
UGRSD0827	0.4	180.4
UGRSD0830	11.0	8.8
UGRSD0831	1.0	45.8
UGRSD0832	9.0	6.1
UGRSD0832	0.4	141

Ptah

Hole number	Interval (m)	Au (g/t)
UGRSD0123	1.8	86.8
UGRSD0135	1.9	419
	3.3	71.5
	2.0	163.2
	2.0	163.7
UGRSD0139	5.0	11.8
UGRSD0577	11.0	8
UGRSD0593_W1	2.0	20.2
UGRSD0829	4.0	82.1
UGRSD0902	2.6	24.3
UGRSD0139	1.0	11.8
UGRSD0832	0.4	141.0
	2.6	5.8
UGRSD0833	0.6	85.5
UGRSD0834	2.8	19.3
UGRSD0906	2.9	5.4
	5.0	8.4
	23.0	4.5
	15.0	5.3
UGRSD0908A	2.1	5.3
UGRSD0909	1.0	21.1

Cleopatra

Hole number	Interval (m)	Au (g/t)
CRSD004	2.65	8.5
CRSD007	3.35	13
CRSD011	0.8	569.5
	1.0	40.1
CRSD029	2.0	11.8
CRSD031	3.0	14.1
	2.05	9.5
CUD061	3.55	8.2
CUD062	16.6	4.4
CUD086	3.35	6.9
CRSD073	5.0	3.7
CRSD074	2.0	5.2
	3.0	3.6
CRSD077	1.6	7.7
CRSD078	3.0	4.7

Selected underground drilling results received during the year (including from the fourth quarter), are set out above.

OPERATIONAL REVIEW
continued

Exploration continued

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, where the porphyry is approximately 500 metres wide and access for surface drill rigs is limited.

High grades have been observed along the north-eastern flank of Sukari, 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, whereas Julius and Antoine do not outcrop. The zones are interpreted as commencing on the eastern porphyry contact, dipping broadly to the west.

Exploration development drives are exploring along the strike of the upper Cleopatra zone, and four drill sites have now been established in the centre of the porphyry for exploration drilling of the north. The drives will provide a large quantity of geological data in addition to that gained from the drilling.

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 initial project development was structured in two phases. Phase 1 was started in Q3 2016 and was completed in Q1 2017 with 1,370 metres of development and 96,422 tonnes of mined material. This development produced 21,078 tonnes of low-grade mineralised material. The first drill cuddy was established and exploration drilling commenced during December 2016. The drilling targeted westerly dipping dilation of stockwork porphyry which is located on the eastern contact.

Phase 2 is currently underway and has completed 1,008.9 metres of decline development and 100,671 tonnes of material mined. Drilling focused on exploring along the western and northern contacts in the north-western portion of the main porphyry.


Exploration drill rig in Côte d'Ivoire

A total of 22,149 metres of exploration drilling has been completed for the Cleopatra decline by two LM90 drill rigs drilling from three of the established drill sites. In addition, 2,311.9 metres of shorter exploration drill holes have been completed utilising the Mobile Carrier Drill Rig to assist with defining the geometry of the higher-grade shoots.

The Cleopatra decline has been engineered 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.

Other prospects

Whilst exploration remains focused on Sukari, there are seven other prospects that have been identified within the 160km² Sukari tenement area which are close enough such that ore could be trucked to the existing processing plant. No exploration drilling was completed on these prospects this year, however a thorough in-house prospectivity review has commenced with the objective of outlining new exploration plans for 2018.

Côte d'Ivoire

Centamin has ten permits covering circa 3,231km² and a further nine permits covering 3,187km² under application. The Côte d'Ivoire exploration team has been organised into three crews, one focused on development of the Doropo Project within the resource area, one focused on regional exploration around the Doropo Project and the third group is focused on regional exploration that commenced during the year on the west side of the country, resulting in the highly prospective discovery of the ABC Project.

Doropo Project

The Doropo resources span an area of 25km². In 2017, the exploration programme commenced by drilling the identified new targets from the 2016 exploration programme. This successfully resulted in the discovery of Chegue South, Chegue Main and Enioda prospects.

Continued systematic drill testing and in-fill drilling of the prospects has extended the existing resource and identified new potential drill targets on Chegue. The Doropo resource has expanded rapidly and now stands at 1.35Moz at 1.3g/t in the indicated category and 0.90Moz at 1.2g/t in inferred, a significant increase in contained ounces from the maiden resource announced early in 2017.

A total of 62,716 RC metres, 4,880 diamond drill metres, including 1,069 diamond metres for metallurgical testing, were completed.

The new resource at Doropo is summarised in the tables below.

Mineral resource for Côte d'Ivoire

	0.5g/t cut-off					
	Indicated			Inferred		
	Mt	Au (g/t)	Au (Moz)	Mt	Au (g/t)	Au (Moz)
Souwa	15.36	1.4	0.65	7.20	1.3	0.29
Nokpa	5.06	1.4	0.22	4.92	1.3	0.2
Chegue North	1.21	0.9	0.04	1.1	0.9	0.03
Chegue Main	1.13	1.2	0.04	1.19	0.9	0.03
Chegue South	4.6	1.4	0.2	3.55	1.1	0.12
Kekeda	2.04	1.2	0.07	2.01	1.2	0.07
Han	3.16	1.3	0.13	1.53	1.2	0.06
Enioda	—	—	—	3.24	0.9	0.1
Total	**32.55**	**1.3**	**1.35**	**24.91**	**1.2**	**0.90**

- The table shows a summary of the resource estimate using a cut-off of 0.5g/t Au at December 2017.
- Totals may not equal the sum of the components due to rounding adjustments.

	0.8g/t cut-off					
	Indicated			Inferred		
	Mt	Au (g/t)	Au (Moz)	Mt	Au (g/t)	Au (Moz)
Souwa	8.77	1.9	0.52	3.60	2.0	0.22
Nokpa	3.12	1.9	0.18	2.93	1.8	0.16
Chegue North	0.54	1.3	0.02	0.48	1.3	0.02
Chegue Main	0.66	1.5	0.03	0.45	1.3	0.02
Chegue South	2.56	2.0	0.16	1.5	1.7	0.08
Kekeda	1.07	1.7	0.06	1.01	1.7	0.05
Han	1.86	1.8	0.1	0.8	1.8	0.04
Enioda	—	—	—	1.32	1.4	0.06
Total	**18.58**	**1.9**	**1.07**	**12.21**	**1.7**	**0.65**

- The table shows a summary of the resource estimate using a cut-off of 0.5g/t Au at December 2017.
- Totals may not equal the sum of the components due to rounding adjustments.

OPERATIONAL REVIEW
continued

Exploration continued

Nokpa significant mineralised RC and DD drill intersections

Hole ID	From (m)	Interval (m)	Au (g/t)
DPDD1422	212.5	9.5	2.0
DPDD1423	256	10.8	2.5
DPRC0691	57	3	18.5
DPRC1300	125	8	4.7
DPRD1070	126.8	3.4	6.3
DPRD1070	159	13	2.3
DPRD1377	146	16	3.0
DPRD1379	112	27	1.2
DPRD1380	231	3	8.3
DPRD1380	246	8	13.2
DPRD1388	185.2	7.9	4.9
DPRD1389	103	2.5	24.5
DPRD1389	167	34.3	3.5
DPRD1390	160	20	2.2
DPRD1390	184	6.3	5.7
DPRD1391	185.39	10.61	2.2
DPRD1392	166.2	8.8	2.1
DPRD1409	298	15	3.2
DPRD1411	251.8	21.2	3.0
DPRD1412	268.5	10.35	2.1

The Souwa deposit is by far the biggest one in the resource area (from all the drilling completed thus far). Drilling delineated a 2.1km strike mineralisation which remains open in all directions. There are two main ore shoots defined along the structure, extending between 120 metres and 200 metres in vertical depths.

Souwa significant mineralised RC and DD drill intersections

Hole ID	From (m)	Interval (m)	Au (g/t)
DPDD1381	116	26	2.0
DPDD1382	80	19	5.7
DPDD1384	187	6	2.8
DPDD1385	84	12	6.0
DPDD1386	91	24	4.3
DPRC0816	108	13	1.4
DPRC0818	48	11	3.2
DPRC0819	79	10	1.7
DPRC0824	49	9	2.1
DPRC0827	44	6	3.0
DPRC0842	83	10	2.6
DPRC0844	49	3	7.3
DPRC0845	79	3	9.6
DPRC0854	119	7	8.0
DPRC0856	2	17	1.1
DPRC0889	138	12	1.7
DPRC1177	165	6	2.7
DPRC1275	42	3	15.3
DPRC1284	11	17	3.0
DPRC1285	12	12	2.5
DPRC1286	25	5	4.0
DPRC1289	19	14	1.6
DPRC1294	29	8	4.4
DPRC1295	50	6	3.0
DPRC1336	20	6	4.1
DPRC1396	181	4	29.6
DPRC1398	177	11	7.2
DPRC1413	126	16	4.5
DPRC1414	153	19	1.1
DPRD1075	89	10.2	2.1
DPRD1102	128	3	5.9
DPRD1102	137	8.85	2.1
DPRD1151	138	12	2.2

The Chegue structure consists of three structures: North, Main and South. North and Main are independent, shallow, coherent ore shoots. These ore shoots are open at depth but the main structure is still open and the surface mapping shows potential for other ore shoots to be intersected that are required to be tested with drilling in 2018.

Despite the limited surface signature, the Chegue South deposit was a new discovery in 2017. The structure has been tested along a strike length of 700 metres and a vertical depth of 180 metres and remains open on the southern side.

Chegue significant mineralised RC drill intersections

Hole ID	From (m)	Interval (m)	Au (g/t)
DPRC0677	144	11	1.9
DPRC0736	78	13	5.2
DPRC0740	141	2	32.7
DPRC0741	44	8	2.9
DPRC0742	79	10	1.9
DPRC0743	115	12	1.9
DPRC0744	139	12	5.6
DPRC0750	69	7	6.5
DPRC0754	125	13	1.3
DPRC0757	100	2	12.8
DPRC0758	101	12	3.0
DPRC0760	126	14	1.2
DPRC0764	107	2	9.7
DPRC0770	79	10	2.1
DPRC0773	78	12	2.9
DPRC0774	120	8	2.9
DPRC0776	12	12	1.6
DPRC0786	42	12	1.3
DPRC0789	71	4	6.8
DPRC0800	135	10	2.8
DPRC0801	143	19	3.2
DPRC0801	169	11	23.4
DPRC0860	151	5	3.2
DPRC0864	162	2	7.9
DPRC0871	64	3	23.0
DPRC0875	122	22	0.9
DPRC0877	220	7	2.3
DPRC0879	170	7	2.5
DPRC0879	183	7	9.3
DPRC1217	69	5	3.5
DPRC1218	90	4	6.6
DPRC1317	82	13	2.9
DPRC1335	48	7	34.5

Several other prospects have returned significant mineralised intercepts during the year; they will be the base of further exploration work in 2018.

Other prospects with significant mineralised RC and DD drill intersections

Prospect	Hole ID	From (m)	Interval (m)	Au (g/t)
Tchouahinin	DPRC0665	13	8	10.5
Tchouahinin	DPRC0723	118	4	12.7
Tchouahinin	DPRC1187	37	2	10.2
Han	DPRD0470	87	19	1.1
Kekeda	DPRC0632	36	12	2.4

ABC Project

ABC stands for 'Archaean-Birimian Contact'. Centamin has two permits, Kona and FarakoNafana, covering circa 751km² along the under-explored contact zone between the Archaean and Birimian cratons. The licence holding includes 80km strike on the Archaean margins, in addition to several shear zones and faults interpreted to be potentially significant targets.

Kona permit

Greenfield exploration work commenced in 2017. Reconnaissance mapping of the permit area and geochemical sampling identified Lolosso, an outcropping 12km gold mineralised structure.

The Lolosso structure cuts the Kona permit on a north-south orientation. It corresponds to a split from the major Sassandra fault which bounds the Archaean Craton. Even if technically located in the Archaean domain, a narrow corridor of Birimian volcano sediments is pinched in between granites, and forms the host of the mineralisation along Lolosso.

More detailed fieldwork was carried out, including a GAIP survey over the entire 25km mineralised corridor. During 2017 there were 5,884 metres of RC drilled along 14 drill sections. Most of the drill holes returned low-grade gold mineralisation, showing a mineralised corridor varying from 100 metres to over 200 metres width. Higher-grade zones, often of over 15 metres width, have been intersected and will be followed up by further drilling in 2018. One of the most significant drill sections, intercepts including KNRC006, KNRC008 and KNRC009, the vertical depth has been tested to 130 metres and remains open. Preliminary metallurgical test work, including bottle roll and fire assay on the tail, has shown no apparent metallurgical issues.

The ABC Project has potential to host a significant gold deposit. The Lolosso mineralised system discovered thus far is extensive and requires additional exploration work throughout 2018 to better understand the geological potential. At the FarakoNafana permit, mapping and soil geochemical work has commenced.

There are currently four additional permits under application, covering circa 1,538km².

OPERATIONAL REVIEW
continued

Exploration continued

Lolosso significant mineralised RC drill intersections

Hole ID	From (m)	Interval (m)	Au (g/t)
KNRC0001	0	18	1.1
KNRC0002	11	17	1.2
KNRC0002	54	20	1.3
KNRC0003	31	22	1
KNRC0004	51	33	1.2
KNRC0006	1	24	1.6
KNRC0008	16	39	2.3
KNRC0008	68	14	1.7
KNRC0009	54	19	1.1
KNRC0009	78	21	1.5
KNRC0009	119	18	1.9
KNRC0010	0	35	1.8
KNRC0011	26	10	2.2
KNRC0011	69	26	1.5
KNRC0012	61	16	1.4
KNRC0012	131	27	1.5
KNRC0013	6	31	1.5
KNRC0014	70	25	1.4
KNRC0015	46	35	1.2
KNRC0024	54	10	1.6
KNRC0025	101	9	4
KNRC0026	168	12	1.4
KNRC0027	0	11	2.4
KNRC0028	58	20	1.2
KNRC0029	87	27	1.1
KNRC0035	14	16	1.1
KNRC0043	83	11	2.2
DPRC0750	69	7	6.5

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

The costs capitalised on exploration licences that have subsequently expired or relinquished have been written off during the year. Refer to note 14 in the financial statements.

Burkina Faso

Centamin holds a 1,258km² licence package. The 2017 exploration strategy was to target potential reserve growth within a 25km radius of the processing plant at Konkera North. Two extensive GAIP surveys were completed covering Konkera and Gangal-Tonior SE. Systematic auger drilling identified a number of gold anomalies/intersected significant gold-bearing structures within the target blocks.

Soil geochemistry, auger drilling and air core drilling is underway throughout 2018, with the aim to deliver a resource update.

Work completed included 12,926 metres of AC, 1,583.1km GAIP lines measured, 39,995 metres of auger and 225 metres of trenching during the year.

The costs capitalised on exploration licences that have subsequently expired or relinquished have been written off during the year. Refer to note 14 in the financial statements.


Exploration in Burkina Faso

The table below summarises the 2017 exploration activities of Batie West.

2017 exploration activities, Batie West Project, Burkina Faso

Burkina Faso 2017 (metres)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Samples													
Orientation geochimie sol	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Regional soils (termite, stream samples)	420	2	13	6	—	25	18	3	—	—	—	—	**487**
Infill soils	—	—	—	—	—	—	—	—	—	—	51	577	**628**
Auger	2,753	866	—	533	891	751	866	664	841	879	411	—	**9,455**
Rocks	78	143	34	23	12	33	—	10	10	—	—	2	**345**
Trenching	151	—	—	—	—	—	—	—	—	—	—	—	**151**
Aircore drilling	198	—	—	—	—	—	—	—	—	1,137	4,452	1,049	**6,836**
Total	**3,600**	**1,011**	**47**	**562**	**903**	**809**	**884**	**677**	**851**	**2,016**	**4,914**	**1,628**	**17,902**
Meterage													
Auger	6,439	2,235	—	3,023	4,548	4,127	4,422	3,796	4,058	5,324	2,023	—	**39,995**
Aircore drilling	764	—	—	—	—	—	—	—	—	2,253	7,859	2,050	**12,926**
RC drilling	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Diamond drilling	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Trenching	225	—	—	—	—	—	—	—	—	—	—	—	**225**
Total	**7,428**	**2,235**	**0**	**3,023**	**4,548**	**4,127**	**4,422**	**3,796**	**4,058**	**7,577**	**9,882**	**2,050**	**53,146**
IP/DD													
Line km surveyed IP	187	374	—	—	125	234	285	—	138	146	94	—	**1,583**
Line km surveyed DDIP	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Line clearing	—	—	—	85	374	138	264	84	228	353	159	21	**1,706**
Drill collars cementing	517	—	—	79	123	151	9	107	—	—	—	—	**986**


Exploration at Napelapera

Strategic report
Directors' report
Financial statements
Shareholder information

FINANCIAL REVIEW

Ross Jerrard
Chief financial officer

Centamin has a strong and flexible financial position with no debt, no hedging and ability for significant cash generation.

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.

Now in its eighth 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 2017:

- strong cash flow generation with US$142 million of free cash flow(1) generated in 2017, down 41% on the prior year (2016: US$242 million) almost entirely due to the impact of increased profit share payments;
- 2017 revenues of US$676 million were down 2% on the prior year (2016: US$687 million) with a 0.4% increase in realised gold prices offset by a decrease in gold sales;
- cash costs of production(1) increased to US$554 per ounce produced on the prior year (2016: US$513), driven predominantly by an increase in mined and processed tonnes and an increase in fuel and reagent costs;
- AISC(1) of US$790 per ounce sold matched our forecast, but was an increase on the prior year (2016: US$694), mainly due to increased production costs and higher sustaining capital costs resulting from planned fleet rebuilds;
- EBITDA(1) decreased by 13% to US$326 million, as a result of increased production and operating costs and the slight decrease in revenues;
- profit before tax decreased by 16% to US$224.1 million, due to the factors outlined above;
- earnings per share after profit share of 9.51 US cents were down 49% on the prior year due to lower revenue, higher costs and, most significantly, the impact of the first full year of profit share (2016: 18.71 US cents);
- operational cash flow of US$359 million was 2% lower than 2016, due to the lower gold production base with higher gold prices offset by a higher cost base; and
- the Egyptian state has benefited directly from profit share payments to EMRA of US$111.6 million during the year ended 31 December 2017, in addition to US$20.4 million in royalty payments for the same period.

(1) Please refer to the non-GAAP measures.

With the strong performance of our flagship asset and solid cash flows carrying through into the second half, a final dividend for 2017 of 10.0 US cents per share has been proposed for approval at the AGM on 26 March 2018. Together with the interim dividend of 2.5 US cents paid during the year, this represents a paid and proposed full year dividend of 12.5 US cents per share (2016: 15.5 US cents per share). Payment of the proposed final dividend would result in a full year payout of approximately US$144 million, which is equivalent to 100% of our free cash flow for 2017, in line with the Company's policy of returning to shareholders capital not required for future investment.

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 during the year. Cash and cash equivalents stood at US$360 million as at 31 December 2017.

Revenue

Revenue from gold and silver sales has decreased by 2% to US$675.5 million (2016: US$687.4 million), with a 0.4% increase in the average realised gold price to US$1,261 per ounce (2016: US$1,256 per ounce) and a 1% decrease in gold sold to 539,726 ounces (2016: 546,630 ounces). The movement is also net of a US$6.2 million reallocation from revenue against capitalised exploration costs related to Cleopatra.

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$41.9 million categorised as fuel prepayments (refer to note 12 to the financial statements for further information) and has increased by 6% to US$414 million, mainly as a result of a:

- 7% increase in total mine production costs from US$288.3 million to US$307.6 million, due to a 14% increase in mined tonnes combined with a 4% increase in processed tonnes and an increase in unit costs mainly due to increased fuel and reagent costs; and
- 2% decrease in depreciation and amortisation charges from US$106.9 million to US$104.3 million as a reclassification of exploration and evaluation expenditure to mine development and a change in estimate of the reserve base which decreased the associated amortisation charges.

Other operating costs

Other operating costs 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 and the 3% production royalty payable to the Egyptian government. Other operating costs increased by US$4.8 million, or 15% on the prior year, to US$36.9 million, mainly as a result of a:

- US$3.6 million decrease in net foreign exchange gains (+ve);
- US$0.2 million decrease in royalty paid to the government of the ARE in line with the decrease in gold sales revenue (-ve);
- US$1.3 million increase in corporate and other costs (+ve); and
- US$0.1 million increase in stock obsolescence provision (+ve).

Finance income

Finance income 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 2017 of US$224.1 million (2016: US$266.8 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. The tax charge of US$2.1 million for the year was associated with an internal group restructuring.

EMRA profit share

During the year ended 31 December 2017, US$111.6 million was paid as profit share payments to the Egyptian Mineral Resources Authority ("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, resulting in a reduction in earnings per share. The profit share payments during the year will be reconciled against SGM's audited June 2017 and 2018 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. SGM's June 2017 financial statements are currently being audited.

Earnings per share

Earnings per share (after profit share) of 9.51 US cents in 2017 decreased when compared with the prior year (2016: 18.71 US cents). The decrease 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

Centamin has a strong and flexible financial position with no debt, no hedging and cash, bullion on hand, gold sales receivables and available-for-sale financial assets of US$417.9 million at 31 December 2017, down from US$428.0 million at 31 December 2016 following dividend payments of US$184.4 million during the period.

	Year ended 31 December 2017 US$'000	Year ended 31 December 2016 US$'000
Cash and cash equivalents (note 27)	**359,680**	399,873
Bullion on hand (valued at the year-end spot price)	**27,123**	4,998
Gold sales receivable (note 10)	**31,007**	23,009
Available-for-sale financial assets (note 15)	**125**	130
Cash and cash equivalents, bullion on hand, gold sales receivables and available-for-sale financial assets	**417,935**	428,010

The majority of funds have been invested in international rolling short term interest money market deposits.

Current assets have decreased by US$51.7 million, or 9%, to US$509.3 million, as a result of a:

- US$23.4 million decrease (-ve) in inventory driven by a US$18.2 million decrease (-ve) in collective stores inventory value to US$78.6 million (due to significant cost reduction and minimisation initiatives), a US$2.5 million decrease (-ve) in overall mining stockpiles and gold in circuit levels to US$31.7 million and a US$2.6 million increase (+ve) in the provision for obsolete stores inventory to US$5.1 million;
- US$9.6 million increase in trade and other receivables (including gold sale receivables) (+ve);
- US$2.3 million increase in prepayments (+ve); and
- US$40.2 million decrease in net cash (net of foreign exchange movements) (-ve) driven by a US$155.4 million final dividend payment to registered shareholders for 2016, a US$29.0 million interim dividend payment to registered shareholders for 2017 and a US$111.6 million payment to EMRA as profit share during the year.

Non-current assets have decreased by US$3.2 million, or 0.3%, to US$1,020 million, as a result of a:

- US$86.7 million increase in the cost of property, plant and equipment (+ve);
- US$104.6 million charge for depreciation and amortisation (-ve);
- US$14.9 million increase in exploration and evaluation assets (net of a US$3.6 million impairment), as a result of the drilling programmes in Sukari Hill, Burkina Faso and Côte d'Ivoire (-ve); and
- US$0.3 million decrease in prepayments and other receivables (-ve).

Current liabilities have increased by US$14.4 million, or 28%, to US$66.4 million, as a result of a:

- US$8.8 million increase in trade payables offset by a US$0.2 million decrease in accruals (+ve);
- US$0.5 million increase in tax liabilities accrued during the year (+ve); and
- US$5.3 million increase in current provisions primarily driven by withholding tax, customs and rebate provisions held at year end (+ve).

Non-current liabilities have increased by US$3.3 million to US$10.9 million as a result of an increase in the rehabilitation provision.

The value of share capital has increased by US$1.3 million to US$668.7 million, which can be attributed to the value of awards granted under the employee share plans for the period. There has been no change in the number issued shares over the same period.

Share option reserves reported have increased by US$1.3 million to US$4.3 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 payment expenses for the year.

Accumulated profits decreased by US$75.1 million to US$778.9 million as a result of a:

- US$222.0 million profit for the year after tax (+ve); offset by
- US$112.6 million profit share charge to EMRA in the year (-ve); and
- US$184.4 million in dividend payments to external shareholders, comprising a US$155.4 million final dividend payment for 2016 and a US$29.0 million interim dividend payment for 2017 (-ve).

Cash flow

Net cash flows generated by operating activities comprise receipts from gold and silver sales and interest income, offset by operating and corporate administration costs. Cash flows from operating activities decreased by US$7.5 million to US$358.8 million, primarily attributable to a slight decrease in revenue, due to a higher average realised price offset by a 1% decrease in gold sold ounces as well as an increase in costs as explained above.

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 decreased by US$1.0 million to US$104.7 million. The primary use of the funds in the year was for purchases of property, plant and equipment, investment in underground development at the Sukari site in Egypt and exploration expenditures incurred in West Africa.

Net cash flows used in financing activities increased by US$231.4 million to US$296 million, which comprises a US$111.6 million payment to EMRA as profit share and dividends paid of US$184.4 million during the year.

Effects of exchange rate changes have decreased by US$2.6 million as a result of movements of the currencies used across the operations in the year.

Capital expenditure

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

	31 December 2017 US$ million	31 December 2016 US$ million
Underground exploration	**6.0**	7.5
Underground mine development	**32.7**	32.4
Other sustaining capital expenditure	**43.9**	23.7
Total sustaining capital expenditure	**82.6**	63.6
Non-sustaining exploration capitalised[1]	**24.9**	42.0

(1) Includes expenditure in West Africa (US$6.4 million Burkina Faso and US$13.9 million Côte d'Ivoire) and US$4.6 million of the Sukari expenditure relating to Cleopatra in non-sustaining capital expenditure.

Cumulative exploration expenditure capitalised for Cleopatra at Sukari is US$7.6 million project to date offset by pre-production net revenues of US$4.8 million (refer to notes 5 and 6 to the financial statements for further details) resulting in US$2.8 million remaining on the statement of financial position at 31 December 2017.

Exploration expenditure

The following table provides a breakdown of the total exploration expenditure of the group:

	31 December 2017 US$ million	31 December 2016 US$ million
Burkina Faso	**6.4**	26.3
Côte d'Ivoire	**13.9**	12.7
Sukari Tenement	**6.0**	7.5
Cleopatra	**4.6**	3.0
Total exploration expenditure	**30.9**	49.5

Exploration and evaluation assets – impairment considerations

As discussed in note 14 to the financial statements, in consideration of the requirements of IFRS 6, management is not aware of any information that would otherwise suggest that an impairment trigger has occurred which would require a full impairment test to be carried out at 31 December 2017.

Exchange rates

Foreign exchange gains have decreased from US$5 million to US$1.5 million, resulting in a US$3.5 million decrease on the prior year.

Ross Jerrard
Chief financial officer

31 January 2018

FINANCIAL REVIEW
continued

Non-GAAP financial measures

Four 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 cost of production 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 2017(1) US$'000	Year ended 31 December 2016(1) US$'000
Profit before tax	**224,094**	266,829
Finance income	**(2,729)**	(917)
Depreciation and amortisation	**104,562**	106,973
EBITDA	**325,927**	372,885

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

2) Cash cost of production per ounce produced and sold and all-in sustaining costs per ounce sold calculation

Cash cost of production and AISC are non-GAAP financial measures. Cash cost of production 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 cost of production 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.

During June 2013 the World Gold Council, an industry body, published a Guidance Note on 'all-in sustaining costs' 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 cost associated with developing and maintaining gold mines and the cost associated with 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 US$/oz is arrived at by dividing the dollar value of the sum of these cost metrics by the ounces of gold sold (as compared to using ounces produced which is used in the cash cost of production calculation).

Reconciliation of cash cost of production per ounce produced:

		Year ended 31 December 2017(1)	Year ended 31 December 2016(1)
Mine production costs (note 6)	US$'000	**307,563**	288,317
Add: pre-production costs of gold sales related to Cleopatra	US$'000	**1,329**	—
Less: refinery and transport	US$'000	**(1,554)**	(1,564)
Movement of inventory(2)	US$'000	**(5,632)**	(3,876)
Cash cost of production – gold produced	US$'000	**301,706**	282,877
Gold produced – total	oz	**544,658**	551,036
Cash cost of production per ounce produced	US$/oz	**554**	513

A reconciliation has been included below to show the cash cost of production metric should gold sold ounces be used as a denominator.

Reconciliation of cash cost of production per ounce sold:

		Year ended 31 December 2017(1)	Year ended 31 December 2016(1)
Mine production costs (note 6)	US$'000	**307,563**	288,317
Add: pre-production costs of gold sales related to Cleopatra	US$'000	**1,329**	—
Movement in inventory(2)	US$'000	**2,490**	(5,910)
Cash cost of production – gold sold	US$'000	**311,382**	282,407
Gold sold – total	oz	**539,726**	546,630
Cash cost of production per ounce sold	US$/oz	**577**	517

(1) Cash cost of production includes a charge to reflect the removal of fuel subsidies (refer to note 12 to the financial statements for further details).
(2) The movement in inventory on ounces produced is only the movement on mining stockpiles and ore in circuit while the movement on ounces sold is the net movement on mining stockpiles, ore in circuit and gold in safe inventory.

Reconciliation of AISC per ounce sold:

		Year ended 31 December 2017(1)	Year ended 31 December 2016(1)
Mine production costs (note 6)	US$'000	**307,563**	288,317
Add: pre-production costs of gold sales related to Cleopatra	US$'000	**1,329**	—
Movement in inventory	US$'000	**2,490**	(5,910)
Royalties	US$'000	**20,404**	20,575
Corporate administration costs	US$'000	**12,679**	13,521
Rehabilitation costs	US$'000	**629**	581
Sustaining underground development and exploration	US$'000	**38,649**	39,864
Other sustaining capital expenditure	US$'000	**43,890**	23,762
By-product credit	US$'000	**(1,167)**	(1,080)
All-in sustaining costs(2)	US$'000	**426,466**	379,630
Gold sold – total	oz	**539,726**	546,630
AISC per ounce sold	US$/oz	**790**	694

(1) Mine production costs, cash cost of production, cash cost of production per ounce, AISC and AISC per ounce sold includes 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.

FINANCIAL REVIEW
continued

Non-GAAP financial measures continued

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

Cash and cash equivalents, bullion on hand, gold sales receivables and available-for-sale financial assets is a non-GAAP financial measure. Cash and cash equivalents, bullion on hand, gold sales receivables and available-for-sale financial assets is a measure of the available cash and liquid assets at a point in time. 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 and cash equivalents, bullion on hand, gold sales receivables and available-for-sale financial assets 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 cash and cash equivalents as determined under GAAP. This is a non-GAAP financial measure and 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 2017 US$'000	Year ended 31 December 2016 US$'000
Cash and cash equivalents (note 27)	**359,680**	399,873
Bullion on hand (valued at the year-end spot price)	**27,123**	4,998
Gold sales receivables (note 10)	**31,007**	23,009
Available-for-sale financial assets (note 15)	**125**	130
Cash and cash equivalents, bullion on hand, gold sales receivables and available-for-sale financial assets	**417,935**	428,010

4) Free cash flow

Free cash flow is a non-GAAP financial measure. Free cash flow is a measure of the available cash after EMRA profit share payments that the group has at its disposal to use for capital reinvestment and to distribute to shareholders as dividends in accordance with the Company's dividend policy. 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. Free cash flow 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. This is a non-GAAP financial measure and other companies may calculate these measures differently.

	Year ended 31 December 2017 US$'000	Year ended 31 December 2016 US$'000
Net cash generated from operating activities	**358,811**	366,295
Less:		
Net cash used in investing activities	**(104,743)**	(105,774)
EMRA profit share payments	**(111,629)**	(18,503)
Free cash flow	**142,439**	242,018

INTRODUCTION

Josef El-Raghy
Chairman

Process plant at Sukari

Our board is committed to achieving the highest standards of corporate governance.

Dear shareholders

Centamin delivered another excellent year for shareholders, delivering on production and keeping control over costs and thereby generating significant free cash flow, which allowed the board to declare dividend payments of over US$144 million for 2017.

As set out in our guidance for 2018, we look forward to a record year of production in 2018 with the promise of more growth to come. Sukari's long term sustainability was reconfirmed by the reserve and resource update which demonstrated our ability to replace high-grade underground reserves and the 20-year life of the open pit. Longer term, exploration projects in West Africa continue to be promising, with further progress at our project in Burkina Faso and the discovery of new resources in Côte d'Ivoire.

Regarding the Company's corporate governance and in light of the exceptional year we achieved in 2016, the result of the AGM this year was disappointing, with shareholders electing to vote against the re-appointment of our non-executive director, Trevor Schultz, for reasons of code compliance which were fully explained in the 2016 annual report. However, we recognise the concerns of our shareholders and proxy advisory groups and the board is committed to achieving the highest standards of corporate governance. In particular, board composition and committee membership has been a key agenda item at both board and nomination committee meetings. As a result of these meetings and discussions with shareholders, I am pleased to confirm the following:

Independent chairman

As announced in January of this year, I will be retiring at the end of 2018 and will ensure that due process is carried out by our nomination committee to identify a successor to fill the role of independent chairman to the board. This process will aim to identify a new chairman by June 2018.

Board composition and succession planning

We welcome Alison Baker and Ross Jerrard, who will join the board on 5 February 2018. These new members bring a wealth of experience within their fields and, in the case of Ross, also from within the Company. Andrew Pardey will shortly complete his third year as CEO and will be supported in 2018 by the newly appointed member of the senior management team, Mark Morcombe as chief operating officer.

Board rotation

Following these appointments, we will continue to look for opportunities to refresh the board to ensure we have the right range of backgrounds and experience to see Centamin through to the next stage of growth.

Committee composition

The composition of all mandated committees are fully compliant within the meaning of the Code. Following the AGM, the composition of the remuneration committee was altered, with Trevor Schultz stepping down from the committee immediately and subsequently replaced by Mark Bankes (please see a note below on the board's decision to re-appoint Trevor Schultz to the board after the 2017 AGM). Alison Baker, the newly appointed independent non-executive director will join the nomination committee and the HSES committee on appointment in February 2018.

Decision to re-appoint Trevor Schultz to the board

The board considered in detail the reasons for the votes against the re-appointment of Trevor Schultz (Resolution 4.4) at the 2017 AGM and believed at the time and since, having met with proxy advisers and major shareholders, that the primary reason for votes against his re-appointment related to the decision to appoint Trevor Schultz to the remuneration committee in September 2016. This appointment followed the resignation of Kevin Tomlinson, an independent non-executive director and member of that committee. An explanation for the reasons Trevor was appointed to the committee, notwithstanding that Trevor was not independent within the meaning of the Code, was provided in the 2016 annual report. The board understands the requirement for the remuneration committee to have three independent members and Trevor was considered to be a valued member of the remuneration committee due to his wealth of experience operating in Egypt and his understanding of the challenging environment for executives and senior management. A detailed explanation was given in the 2016 annual report, applying the principle of 'comply or explain' for any non-compliance with the Code; however, we now recognise that this explanation was not considered sufficient by many of our shareholders.

The nomination committee, in the absence of Trevor Schultz, recommended the re-appointment of Trevor Schultz to the board. In turn, the board unanimously resolved to appoint Trevor to the board as a non-executive director, immediately following the AGM in 2017. Trevor was re-appointed to his existing roles as chairman of the HSES committee and member of the nomination committee but did not re-join the remuneration committee.

The board took this decision in light of the vital role that Trevor plays for the Company, bringing his deep technical knowledge to assist the board's oversight of the Company's operations and chairing the HSES committee, which is responsible for making critical recommendations to the board on all matters in connection with issues of the environment, workplace health and safety and the sustainable engagement with communities and stakeholders. Trevor made an invaluable contribution to the establishment of Sukari as a globally significant gold mining operation. Such a major construction project, which was completed with minimal cost and time overruns, is testament to Trevor's strong leadership and experience.

In 2018, Trevor Schultz, as chairman of the HSES committee, will provide board level oversight of the proposed solar project. This ambitious project will aim to reduce diesel fuel consumption at Sukari, reduce emissions and fuel costs over the longer term.

Our board composition and approach to leadership are set out in detail on page 85 to 86. Within the directors' report and, where applicable, the strategic report, the directors provide the required governance and regulatory assurances.

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 in the strategic report), as well as the principal risks, risk appetite and resulting business objectives.

The key areas of Code compliance can be found in the following areas of the 2017 annual report and accounts:

- C.1.1. Fair, balanced and understandable (applied across the strategic, directors' and financial report with the confirmation statement in the 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).

2017 has been another excellent year, with further improvements in operational efficiency and a strong financial performance. We enter 2018 with a knowledgeable board, a strong management team and a clear strategy to deliver sustained returns to shareholders. The appointment of new board members in 2018 and the prospect of a new chairman later in the year provides shareholders with assurance of continuity as well as staged and progressive refreshment of the board.

Josef El-Raghy
Chairman

31 January 2018

INTRODUCTION
continued

Governance and Code compliance at a glance

LEADERSHIP	EFFECTIVENESS	ACCOUNTABILITY	REMUNERATION	SHAREHOLDERS
Separate roles undertaken by the chairman and CEO.	At least half the board are independent non-executive directors.	External auditor changed in 2014 – audit partner rotation in 2018.	Simple but effective remuneration structure.	Engagement with key shareholders and proxy advisory bodies.
Senior independent non-executive director and deputy chairman – Edward Haslam.	Staged refreshment of the board.	Increased role and scope of the internal auditor since the appointment in 2015.	Shareholder approved restricted share plan (approved in 2015).	AGMs held with key directors in attendance.
Regular meetings of the board and committee and exemplary attendance record.	Ensuring a diverse board in all respects.	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 2016 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 2017, 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 as he was previously an executive of the Company. 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 withdrawal of Trevor Schultz from the remuneration committee after the 2017 AGM, the committee had two members (both of whom were independent non-executive directors) until the appointment of Mark Bankes on 1 August 2017, when the committee became fully compliant within the meaning of the Code. During the period where only two members were on the committee, only one written resolution was passed by the committee to facilitate grants and vesting under the Company's share plans, which were administrative in nature and applied the scheme rules and remuneration policy as disclosed in full in the 2016 annual report and accounts.

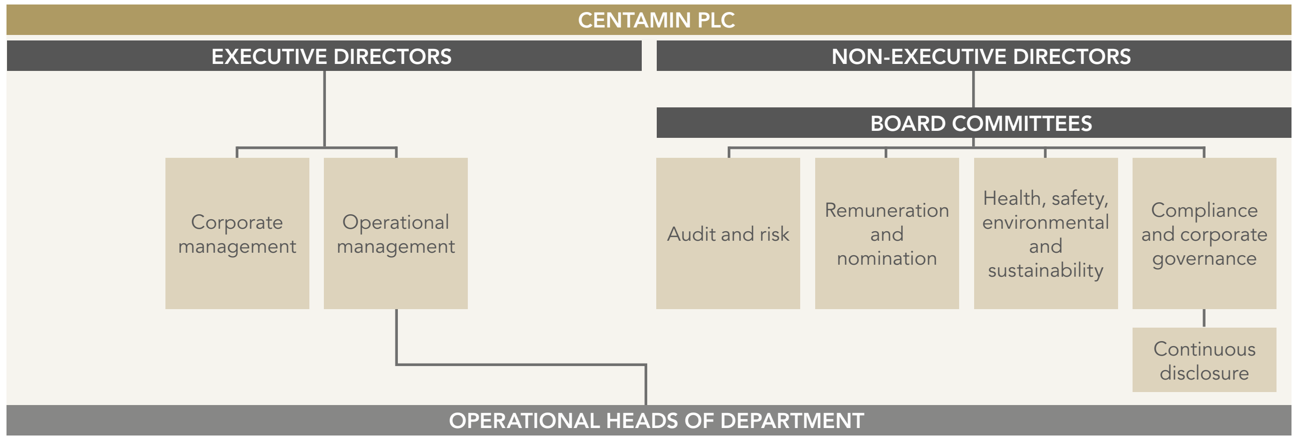
It is noted that the disclosures contained in the directors' remuneration report exceed the obligations of a non-UK company. However, the Company considers such enhanced disclosure is appropriate to allow shareholders to compare the Company with UK incorporated FTSE 250 listed companies. It has also incorporated many additional and voluntary disclosures in its strategic report.

The Company has applied the main principles set out in the Code (see table above), with further details in this section of the annual report enabling shareholders to evaluate how the principles have been applied.

The Company's diversity policy is set out in the nomination committee report, noting that the Company's policy considers the composition of the board and the pipeline of talent within the organisation, having regard to gender, ethnicity, age and educational and professional backgrounds.

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 92 and 93 which include the appointments of two new directors which take effect on 5 February 2018.

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					
Andrew Pardey	5					
Non-executive						
Edward Haslam	5	6	3	3	(C.) 2	(C.) 2
Trevor Schultz	5		(C.) 3			2
Mark Arnesen	5	(C.) 6		3	2	2
Mark Bankes	5	6	3	(C.) 3	2	

(C.) Chairing the meeting and/or chairperson of the board or committee. Josef El-Raghy was absent from one meeting due to medical reasons.

The table excludes meetings held by written resolutions or sub-committees and reflects membership during 2017. The board met nine times during the year, with four meetings held by way of written resolution. The business conducted is set out overleaf.

INTRODUCTION
continued

Board composition and re-election

It is proposed at the date of this annual report that all directors will be put forward for re-election at the AGM. 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 aware and actively involved in 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 94 and 95.

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 executives 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 terms of reference for each board committee are available on the Company's website www.centamin.com.

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 40 to 62.	CSR report – see the HSES committee report on page 40.
Audit and risk committee – directors' report page 130.	Risk and control environment – see audit and risk committee report on page 130.
Remuneration committee – directors' report pages 102 and 103.	Directors' remuneration report – see pages 102 to 129.
Nomination committee – directors' report page 98.	Succession planning – see the nomination committee report on page 99.
Compliance and corporate governance – directors' report pages 96 and 97.	Compliance statement with the corporate governance code – see page 84.

Board independence

When determining whether a director is independent, the board has established a directors' Test of Independence Policy, which is based on the Code and the definitions of independence in the Canadian Securities Administrators' National Instrument 52-110 – Audit Committees. The Company remains compliant with the provisions of the Code, whereby at least half the board comprises non-executive directors who are determined by the board to be independent.

Key activities of the board in 2017

STRATEGIC		
SUKARI	**ACTIVITIES**	**ACTION**
Sustainability – production guidance and cost estimates	Setting budgets, production and cost guidance for the year.	Approval and announcement of guidance in January 2017.
Sustainability – operational efficiency	Review proposals for contract tendering and systems improvements.	Tendering of significant contracts. Cost control measures, system improvements in inventory handling.
Prioritising stakeholder returns – dividend policy	Review of budgets and forecasts and capital expenditure proposals. Review of cost recovery model and profit share arrangements.	Declaration of half-yearly and final dividends.
Optimal growth – exploration	Review data and results from updated reserve and resource statement. Review proposals for underground development and capital expenditure.	Approval of capital expenditure budgets.
Social responsibility – health and safety	Sukari operational review, health and safety statistics and monthly reporting. Review of existing projects and maintenance programmes. Develop policies towards GRI compliance.	Risk review and response to incident reporting. Project implementation in Egypt, Marsa Alam including the purchase of a CT scanner. Review existing human rights policies and develop projects to reduce emissions.
WEST AFRICA EXPLORATION	**ACTIVITIES**	**ACTION**
Growth strategy – exploration	Approval of capital expenditure and exploration drilling programmes. Review exploration budgets and relative spend and results. Review of updated resource statement.	Drilling programmes and acquisition of land packages in Burkina Faso and Côte d'Ivoire. Ensure allocation of resources across the prospects and targeted exploration programmes.
Social responsibility – health and safety	Integrated reporting of HSES statistics.	Additional detail provided in monthly reporting to the board.

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continued

Key activities of the board in 2017 continued

CORPORATE, LITIGATION AND RISK	ACTIVITIES	ACTION
Optimal growth	Strategic review of business development opportunities including potential M&A and JV acquisitions.	Strategy day and ad-hoc meetings to review opportunities.
Corporate	Review Code and policy requirements, diversity policy, governance trends and reforms. Compliance with local laws and regulations. Litigation updates on the Company's ongoing court hearings (details of which can be found in notes 4 and 22).	Board and committee appointments. Approve scope of external legal advisers, and in-house personnel. Confirm litigation strategy and approve court submissions.
Risk and internal controls	Review of the Company's principal risks, risk appetite and linkages to long term viability. Review of the internal control environment and internal and external reporting.	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. Approve the scope and plan of the internal and external auditors and monitor progress.
PERSONNEL	**ACTIVITIES**	**ACTION**
Appointments – nomination committee recommendations	Personnel requirements at board and senior management levels.	Approval of appointment of Alison Baker and committee appointments. Approval of appointment of Ross Jerrard (CFO) to the board.
Succession – nomination committee recommendations	Review of succession planning, diversity and board performance and evaluation.	Appointment of the new COO, providing additional depth to the management team. Agreement on timing/priorities for succession planning for key roles and improving board effectiveness.
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.

It is noted that throughout the year the board of directors had access to independent professional advice, at the Company's expense, and the services and advice of the company secretary.

CASE STUDY:
GOVERNANCE IN ACTION 'STRATEGY DAY'

The board met during the year with a specific focus on reviewing the Company's strategy, its strategic aims over the medium to long term and evaluating potential growth opportunities.

The agenda for the day covered a number of key areas, which included:

- key deliverables to shareholders;
- investor perspective on the Company and growth opportunities;
- peer review and comparisons;
- M&A criteria including financial parameters, stage of development, scale and location; and
- risk factors including country and political risk, business and mining environment and fiscal regimes.

The strategy day was interactive, involving presentations and Q&A from senior members of the management team, including the group's exploration manager and chief development officer. The board agreed the meeting provided value to both reinforce the existing strategic aims of the group and develop them further in order to identify opportunities. Annual strategy days will be held going forward with full board attendance and involvement of the senior management team. The board, through the CEO, communicated the business strategy and objectives to the business through the heads of department and senior personnel.

Areas of focus for the board in 2018

Strategic planning – the board regularly reviews and approves strategic plans and initiatives put forward by management and the executives, including growth proposals and efficiency initiatives. Details of the strategic objectives to ensure stability and continuity of the business, maintaining shareholder returns, growth prospects and opportunities and ensuring we maintain our social licence to operate can be found in the strategic report. Areas of focus will relate to the exploration programmes in Burkina Faso and Côte d'Ivoire and the next stages towards pre-feasibility studies.

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. A continued priority in 2018 will be to communicate the Company's strategic goals and develop a safety-conscious culture throughout 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 in 2018 to identify the next scoping phase. Now in their third year to help bring about efficiencies and improve controls within the business, BDO LLP have helped develop our procurement and contract management, key financial processes, inventory management and IT security.

Reporting and audit – the board, through the audit and risk committee, has reviewed and implemented upgrades to the accounting systems. System upgrades and newly developed software will be considered as part of a programme to further streamline processes and support the growth of the business.

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.

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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 2018 for the year ended 31 December 2017.

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 next scheduled review of the board's effectiveness by an external facilitator is due to take place in 2019. The recommendations following the 2016 review have been implemented, which covered proposals for formalising the succession planning process (with consideration to diversity), formalising the induction process and definition of roles, particularly between the CEO and chairman.

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 evaluation process, the board agreed that all independent non-executive directors continued to demonstrate their independence and objectivity in all respects and provided continued value on the committees in which they served.

The nomination committee and the board discussed during the year the need for any new appointments to the board, either through the process of succession planning or external appointments. These discussions culminated in the appointment of Alison Baker as an independent non-executive director and promotion to board level for Ross Jerrard (CFO). The recommendation for the appointment of a new independent non-executive director was implemented by the chairman of the nomination committee, Edward Haslam.

With these new appointments, staged rotation and refreshment of the board has begun. A thorough review has been carried out of the skills and expertise of our existing board members to ensure we have the right range of backgrounds and experience to see Centamin through to the next stage of growth.

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 controls. 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 pages 30 to 37.

The board is pleased to confirm that the Company remains in compliance with best practice guidelines, with the 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, taking into account the work of both the internal and external auditors. The key headings for this review can be summarised as follows:

- 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.

At the recommendation of the committees, the board evaluated the existing control environment and approved recommendations for further systems development, the scope of the internal auditor, allocation of roles and responsibilities across the management team and the scope and engagement of external legal, compliance and commercial advisers.

It was noted that the review and subsequent recommendations to improve the internal control environment were not seen as significant failings or weaknesses, but were 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 pages 49 and 54.

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. The group engaged environmental consultants Digby Wells to develop the group's reporting standards to international Global Reporting Initiative ("GRI") standards. In addition, the group will be reviewing existing human rights policies to ensure these are aligned with best practice.

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 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 4/5

Experience

Josef holds a Bachelor of Commerce degree from the University of Western Australia and subsequently became a director of both CIBC Wood Gundy and Paterson Ord Minnett. Josef is also Chairman of AIC Resources Limited effective 1 December 2017.

Andrew Pardey

Chief executive officer (since February 2015)

Andrew 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 5/5

Experience

Andrew was a major driving force in bringing Sukari into production 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 with Guinor Gold Corporation, AngloGold Ashanti and Kalgoorlie Consolidated Gold Mines.

Ross Jerrard

Chief financial officer (since 18 April 2016)

Board appointment effective 5 February 2018

Ross was appointed chief financial officer of Centamin in April 2016. Since then, Ross has assembled and led an excellent finance team between Jersey, Sukari and West Africa. Ross has been responsible for leading efficiency objectives such as the successful implementation of improved cost control and monitoring measures, improvements to reporting systems and the delivery of accelerated reporting timetables of accounts.

Experience

Before joining Centamin, Ross was lead audit partner with Deloitte Touche Tohmatsu Perth, Australia. Prior to moving to Australia 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.

Edward Haslam

Deputy chairman and senior independent non-executive director

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

Committee membership

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

Director since 23 March 2011

Board meetings attended 5/5

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).

Board resignations

As announced on 11 January 2018, Josef El-Raghy informed the board that he intends to retire as executive chairman by the end of 2018, and has served notice under the terms of his contract of employment. The nomination committee will guide the completion of an orderly non-executive chairman succession process, which will commence immediately, with the intention of announcing a successor by the end of June 2018. An independent recruitment consultant will evaluate all candidates and report directly to the nomination committee.

Trevor Schultz

Non-executive director (since 1 May 2014)

Trevor 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 to April 2014.

Committee membership

HSES committee (chair)
Remuneration committee (for part of the year)
Nomination committee

Director since 20 May 2008

Board meetings attended 5/5

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 University of the Witwatersrand and has completed the Advanced Management Program at Harvard University.

Alison Baker

Independent non-executive director

Board appointment effective 5 February 2018

Alison spent much of her time at PwC working with the natural resources team, advising FTSE 350 and AIM companies on transactions, M&A and corporate reporting. An advocate of building trust through integrated reporting and having worked with a wide range of clients, including those in the emerging markets, Alison has developed a strong cultural sensitivity and awareness of wider stakeholder requirements including governments and local communities.

Experience

Alison is a former audit partner at PricewaterhouseCoopers LLP ("PwC") and Ernst & Young LLP, with nearly 25 years' experience, providing audit, capital markets and advisory services. Alison is also a non-executive director at KAZ Minerals plc.

Committee membership

HSES committee (effective 5 February 2018)
Nomination committee (effective 5 February 2018)

Mark Bankes

Independent non-executive director

Mark 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.

Committee membership

Compliance and corporate governance committee (chair)
HSES committee
Audit and risk committee
Remuneration committee
(appointed on 1 August 2017)

Director since 24 February 2011

Board meetings attended 5/5

Experience

Mark has an MA from Cambridge University and joined Norton Rose in 1984. He worked in both London and Hong Kong and was a partner at Norton Rose LLP from 1994 to 2007 before starting his own business, Bankes Consulting EURL, in October 2007.

Mark Arnesen

Independent non-executive director

Mark 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.

Committee membership

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

Director since 24 February 2011

Board meetings attended 5/5

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.

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SENIOR MANAGEMENT

Operations

Youssef El-Raghy
General manager – Egyptian operations

An officer graduate of the Egyptian Police Academy, Youssef held senior management roles within the Egyptian police force for more than 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 January 2010

Mark Morcombe
Chief operating officer

Mark was most recently COO at Acacia Mining plc and prior to that Senior Vice President at AngloGold Ashanti. He has more than 25 years of mining industry experience of which ten years have been in various countries in Africa. As a mining engineer, Mark has spent much of his career to date specialising in gold projects across Africa and Australia, successfully operating open pit and underground mines, from development and expansion projects to mine turnarounds. Mark holds a Bachelor of Engineering (Mining Engineering) and a Masters of Engineering Science (Mining Geomechanics) from Curtin University in Australia.

Since 8 January 2018

Chris Boreham
General manager – Sukari (since 1 March 2017)

Chris 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.

Chris was promoted to general manager at Sukari in March 2017, previously holding the position of underground mine manager at Sukari.

Since 13 April 2006

Norman Bailie
Group exploration manager

Norman 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

Ibrahima Danso
Manager, West Africa

Ibrahima joined Centamin in June 2016 and brings to the role over 20 years professional experience, notably with AngloGold Ashanti in Guinea and Democratic Republic of Congo (DRC), Alcoa in Ghana, Guinea and Jamaica, and Newcrest Mining in Côte d'Ivoire. Areas of expertise include leading small, medium and large-scale mining operations from feasibility study stage to development and operations. Ibrahima is highly knowledgeable in dealing with African governments to secure exploration and mining permits, conceptualising and executing strategic community investment programs in the host country as well as conflict resolution and dealing with key stakeholders to maintain our social licence to operate.

Since June 2016

Doaa Abou Elailah
Group sustainability and business development manager

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

Since 1 May 2013

Finance and corporate

Mark Smith
Group financial controller

Mark joined Centamin as group FC in August 2015 and brings to the role a wealth of experience in site-based commercial and corporate finance across exploration, feasibility, construction and operations in both open pit and underground mining environments. Mark has worked previously for a variety of other publicly listed companies including BHP, Red Back Mining Inc, African Minerals Ltd and Endeavour Mining Corporation.

Since 17 August 2015

Riaan Nel
Group accountant

Before joining Centamin, Riaan held previous appointments at a hedge fund and at PricewaterhouseCoopers, both in Jersey. Riaan holds a B.Com Accounting Sciences and a B.Com Honours Accounting Sciences degree from the University of Pretoria and completed his training at Grant Thornton South Africa where he specialised in the manufacturing and mining industries. Riaan is a member of the South African Institute of Chartered Accountants and the Institute of Chartered Accountants in England and Wales.

Since 6 February 2017

Heidi Brown
Subsidiary director and company secretary

Heidi 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

Jonathan Stephens
Chief development officer

Jonathan joined Centamin on 27 February 2017 as chief development officer. Jonathan brings 20 years' investment banking experience at top tier firms including Deutsche Bank, JP Morgan, CIBC World Markets and RBC Capital Markets, where he was a managing director in the global mining team.

A mining sector specialist since 2003, Jonathan has delivered financial and strategic advice on merger and acquisition transactions, capital raisings and regulatory matters to a broad range of mining companies including Centamin, AngloGold Ashanti, Rio Tinto, Acacia Mining and First Quantum. Jonathan has a first class M.A. in Natural Sciences and an M.Phil in Management Studies, both from Cambridge University.

Since 27 February 2017

Alexandra Carse
Head of investor relations

Alexandra joined Centamin in December 2017 from Petropavlovsk PLC, where she was head of investor relations. Prior to this, Alexandra has over 12 years' experience as a sell-side corporate broker, specialising within the natural resource sector. Alexandra holds a BA degree in Economics and Statistics from the University of Vermont.

Since 4 December 2017

Darren Le Masurier
Company secretary

Darren is a fellow of the Association of Chartered Certified Accountants and has over 18 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

CORPORATE GOVERNANCE

Mark Bankes
Chairman of the compliance and corporate governance committee

Andrew Pardey speaking at Indaba

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.

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 has three independent non-executive directors, Edward Haslam, Mark Arnesen and me as chairman.

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 22 to the financial statements)	Whilst the substantive merits of the case remain strong, Law no. 32 of 2014 (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 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 22 to the financial statements)	The State Commissioner's report released in September 2016, which was non-binding, does not, in the committee's view, impact upon 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 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.
Assisting with discussions on public announcements through the disclosure committee	The committee placed the existing disclosure committee on a more formal footing and is ready to evaluate public announcements and matters which may develop into inside information when needed to do so.
Review of the reporting and disclosure requirements required by the LSE and TSX	The committee is active in the review of public disclosures and continues to review and comment on such disclosures to ensure messaging and information is clear and understandable to the market.
Governance and board and committee appointments	The committee monitored the recommendations of the nomination committee in respect to matters affecting the board composition and governance structure.
Cross jurisdictional legal and regulatory compliance	Monitors both legal and regulatory obligations across the group's corporate structure and in-country at an operational level.

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

January and February 2017
Investor conference, London
Investor conference, South Africa
Investor conference, North America

May to September 2017
Analyst and investor conference calls
Roadshow, Scotland
Conference, Denver

March and April 2017
Investor marketing, North America
Investor marketing, London
Analyst site visit, Sukari

October and November 2017
Analyst and investor conference calls
Investor marketing, London

Modern Slavery Act

The UK Modern Slavery Act 2015 (the "2015 Act") consolidated the law relating to slavery, servitude, forced and compulsory labour and human trafficking, coming at a time of increasing concern regarding slavery and human trafficking affecting global supply chains.

Whilst Centamin is not in scope because it does not carry out business in the UK, the committee considered, as a matter of good corporate governance, peer comparison and shareholder expectation, that the 2015 Act should be evaluated.

The committee considered the guiding principles of the 2015 Act and considered the Company's own positive track record for employee welfare and highest health and safety standards. The committee noted that the overriding goal would be to identify any existing or potential human rights impacts and remedies, the use of leverage to remedy more remote impacts to which businesses are linked and prevent ones occurring in the future. The methodology would be based on working with potential offending companies, mainly in supply, chains to improve their human rights record rather than terminate the contracts. Termination is seen as the last resort response.

The committee recommended and the HSES committee agreed to review the Act further with a view to enhancing the Company's existing human rights policies during 2018, giving consideration to the 2015 Act and related UK guidance on adherence with the Act's principles.

Shareholder communication

All shareholders are encouraged to attend our AGM on 26 March 2018, 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.

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. In addition, the group recognises the need to maintain communication with governance and stewardship teams as well as proxy advisory groups. A large proportion of the Company's shareholders are guided by proxy advisers and their voting recommendations, which can significantly impact voting outcomes at the Company's AGM.

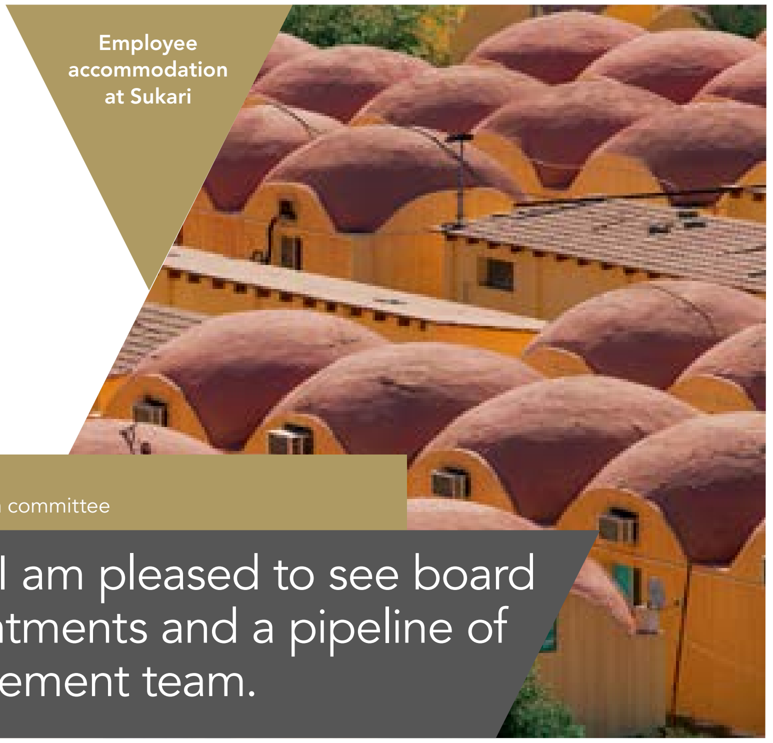
Details of the Company's policies and procedures, including a copy of the Company's whistleblowing policy, can be found on the Company's website.

Mark Bankes
Chairman of the compliance and corporate governance committee

31 January 2018

NOMINATION REPORT

Edward Haslam
Chairman of the nomination committee



Employee accommodation at Sukari

This has been an active year and I am pleased to see board refreshment with two new appointments and a pipeline of talent amongst our senior management team.

Dear shareholders

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

The committee led the process to identify a new independent non-executive director to the board and is delighted to welcome Alison Baker, who will join the board in February 2018.

The committee also reviewed the succession planning for board level and further recommended the appointment of Ross Jerrard, who will become a member of the board in February 2018 as chief financial officer, duly appointed from within the Company.

The committee also considers the wider succession planning for senior roles and is delighted to welcome Mark Morcombe, chief operating officer, who joined at the beginning of January 2017. Mark will provide support to our chief executive officer, Andrew Pardey.

The committee met four times during the year, with two meetings held by way of written resolution, and 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);
- reviewed the Company's diversity policy at board, senior management and at an operational level; and
- reviewed the policy on senior and executive recruitment and succession planning.

It has been an active year for the committee, and as chairman I am pleased with the progress the committee has made during 2017. The board has been refreshed with two new appointments and there is a pipeline of talent amongst the senior management team, all of which will ensure we not only meet the highest possible governance standards, but also have the right experience and opportunity for succession as we continue delivering for shareholders into the future.

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

31 January 2018

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. The committee welcomes Alison Baker to the board, who will join the nomination committee on appointment on 5 February 2018.

Board diversity

The committee believes that diversity of opinion and experience are of vital importance to board effectiveness and diversity will continue to be a key consideration when contemplating the composition and refreshing of the board as well as senior and wider management.

During the year, the board, through the recommendations of the nomination committee, considered the Company's policy on diversity. In reviewing the policy, the board considered the Lord Davies report and the Hampton-Alexander Review on board composition. Having regard to these reports and the composition of the board, the committee noted in particular the lack of gender balance on the board. Following year end, Alison Baker and Ross Jerrard were appointed to the board and the chairman announced his intention to retire during the course of 2018. In assessing candidates for the position of chair of the board and any other new appointments, the nomination committee will continue to consider the composition of the board to ensure diversity of gender, ethnicity, age and educational and professional backgrounds.

The board will update shareholders on the appointment of a new chair as and when appropriate. Details of the current composition of the board and the wider management team are set out in the directors' report.

Developing a diverse workforce

Centamin is an equal opportunity employer and the Company's code of conduct prohibits any form of discrimination. However, no women are employed at Sukari Gold Mine. 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. Local regulations include a number of provisions, to restrict the working hours (between 7.00pm and 7.00am) and type of work women on an operational mine site can undertake; these include restrictions on working underground, working with explosives and operating mobile equipment.

A greater percentage of women are employed throughout the group in the administrative offices and at the Company's headquarters and on site in Burkina Faso and Côte d'Ivoire. Of our West African employees, over 10% are women working in Ouagadougou and as geologists based at camp. Across the Company, a number of women hold senior positions in the areas of accountancy, investor relations, HSES and subsidiary directorships.

The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017

The committee considered these regulations which stipulate a 250 employee threshold with reference to relevant employees as meaning those employees "working in Great Britain and employees working outside Great Britain if there is a sufficiently strong connection with Great Britain". Centamin does not meet the stipulation set out by these regulations and therefore does not have a reporting obligation. The majority of employees are based in Egypt, at our exploration sites in Burkina Faso and Côte d'Ivoire and at our headquarters in Jersey.

Centamin does, however, work to ensure women have pay parity with men in similar positions across its operations and at our corporate head office and administrative offices.

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

Board rotation and refreshment

The committee and board are mindful that each of the independent members of the committee, as at the date of this report, had served on the board for six years.

The Code notes that any term beyond six years for a non-executive director should be subject to particularly rigorous review, and should take into account the need for progressive refreshing of the board.

After carrying out the review and giving due consideration to the independence of the independent non-executive directors on the board, the committee and the board were in agreement that all independent non-executive directors remained fully independent within the definition of independence in the Canadian Securities Administrators' National Instrument 52-110 – Audit Committees and the Code. It was noted that there was no requirement for rotation, however a staged rotation was in train with the appointment of Alison Baker to the board in February 2018.

NOMINATION REPORT
continued

Recruitment process – independent non-executive director

The nomination committee was active throughout 2017 in identifying a suitable candidate to join the board as an independent non-executive director. The committee considered the skills, experience needed now and in the future. The committee also considered further the Company's policy on diversity, the current composition of the board having regard to gender, ethnicity, age, race and educational and professional backgrounds.

The committee considered a variety of different recruitment agencies to help the committee identify potential candidates and also independently evaluate candidates that had been put forward by the board. In addition, candidates and CVs had been received through the Company's recruitment platform and online presence which needed to be evaluated.

The committee agreed to appoint Clifton-Hill ("CH"), an independent recruitment consultant with no previous connection to the Company who, along with their own candidates, assisted in evaluating all candidates that were put forward by the board and through the online platform.

Following consultation with CH a list of five candidates were shortlisted and interviewed. Following the interview process, the nomination committee met to consider each of the shortlisted candidates. The committee then recommended three of the five interviewees to the board for further discussion.

The board evaluated all three candidates and following completion of due diligence process, the nomination committee finalised and approved the appointment of Alison Baker, with the full support of the board. Alison Baker was announced as the successful candidate in January 2018 and will become a member of the board on 5 February 2018.

Induction and training

A detailed induction pack has been prepared for Alison, covering all key policy documents, relevant operational and financial reports and key papers covering the Company's ongoing litigation and regulatory compliance.

During the recruitment process and prior to accepting the appointment, Alison had the opportunity to meet with all members of the board in an open forum for discussion. A summary induction was also arranged, providing a high level introduction to the Company and the ongoing role on the appointed committees. The initial induction process was conducted in an open forum allowing Q&A between Alison and the members of the executive and senior management team.

Training requirements have been discussed with Alison and external legal advisers will deliver bespoke training and refresh on topics such as directors' duties (covering the legal framework in Jersey), the LSE listing rules and the rules governing the TSX.

Following her appointment, Alison will visit the site in Egypt to see first-hand the modern mining operation at Sukari. This visit will coincide with the scheduled quarterly board meeting based on site at Sukari.

Auditor independence

The committee notes that as a former PwC partner, having left PwC in 2016, PwC and Alison are required to assess their independence given the potential familiarity risk. The current audit partner, Richard Spilsbury, and Alison had worked together on other clients (unrelated to Centamin) within the last two years at PwC and therefore Richard, for audit independence purposes, is a 'covered person' to Alison. Due to the requirement of a mandatory 'cooling-off period' of two years, the current audit partner will be required to step down from the audit before Alison joins the board. Richard Spilsbury has served four of his possible five years as audit partner on the Centamin account and signed the audit opinion on the 2017 financial statements on 31 January 2018. With an appointment date for Alison of 5 February 2018, PwC have confirmed that they are not aware of any ongoing independence issues that impact the 2017 audit or any independence issues arising from the appointment of Alison Baker. Jonathan Lambert, PwC partner, will replace Richard Spilsbury following the 2017 audit.

Non-executive director independence

The committee and board determined that Alison Baker is independent within the meaning of the Code and Centamin's Directors' Test of Independence Policy. The committee noted that although Alison is a former PwC partner, Alison has not worked directly or indirectly on Centamin's account whilst employed with PwC and has not been involved with PwC in providing any consultation or other related activities since leaving the firm in 2016. The board therefore determined that Alison is considered in all respects to be independent both in character and judgment.

The committee considered Alison's skills and experience and the committees which would benefit from Alison's membership. Having considered the composition of all existing committees and Alison's experience, the committee agreed that Alison join the HSES committee and the nomination committee on appointment.

Recruitment process – chief financial officer to the board

The nomination committee considered the role of the CFO and the progress Ross Jerrard has made while serving as CFO. In his short time at Centamin, Ross has assembled an excellent finance team between the head office in Jersey, operations in Egypt and across the exploration sites in West Africa. Ross has also been responsible for leading crucial efficiency objectives, including the material improvement to internal and external reporting systems, successful implementation and framework upgrades to cost monitoring and cost control measures, and delivery of an accelerated monthly, quarterly and annual reporting timetable of accounts.

The nomination committee, through the process of succession planning, ensured that adequate support, development and, where required, training was given to Ross to prepare him for a role on the board of directors. After a thorough assessment of Ross's experience and expertise, and his performance as CFO since 2016, the nomination committee approved the appointment of Ross Jerrard to the board with the full support of the board, effective from 5 February 2018.

Induction and training

Training requirements have been discussed with Ross and external legal advisers will deliver bespoke training and a refresh on topics such as directors' duties to meet his requirements.

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.

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 concluded in January 2017. 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 2017.

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

- appointment of Mark Bankes to the remuneration committee;
- appointment of Ross Jerrard (current CFO) to the board (effective 5 February 2018);
- appointment of Alison Baker as independent non-executive director (effective 5 February 2018); and
- appointment of Alison Baker to the nomination and HSES committees (effective 5 February 2018).

Details of the appointment process for the independent non-executive director are set out earlier in the report.

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.

Following the announcement in January 2018, Josef El-Raghy served notice under the terms of his contract. A successor will be identified with the guidance and direction of the nomination committee and involvement of an independent third party recruitment firm, during the first half of 2018.

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.

REMUNERATION REPORT

Edward Haslam
Chairman of the remuneration committee

The committee's primary objective was achieved this year, setting remuneration at appropriate levels to motivate our executives and senior management.

1. Introduction and annual statement

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

The committee continued with a simple yet effective remuneration structure, the key elements being base salary, pension, bonus and the long term performance share plan ("PSP"). The report sets out the key performance targets for 2018, as well as the achievements of the executives against the metrics set by the committee, which were published in early 2017.

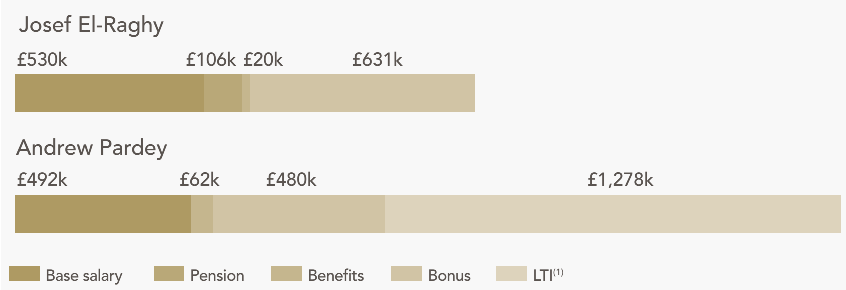
Changes to the committee

The committee welcomed Mark Bankes (independent non-executive director) to the remuneration committee during the year and together with Mark Arnesen and myself as chairman of the committee, a full complement of independent directors reside on the remuneration committee.

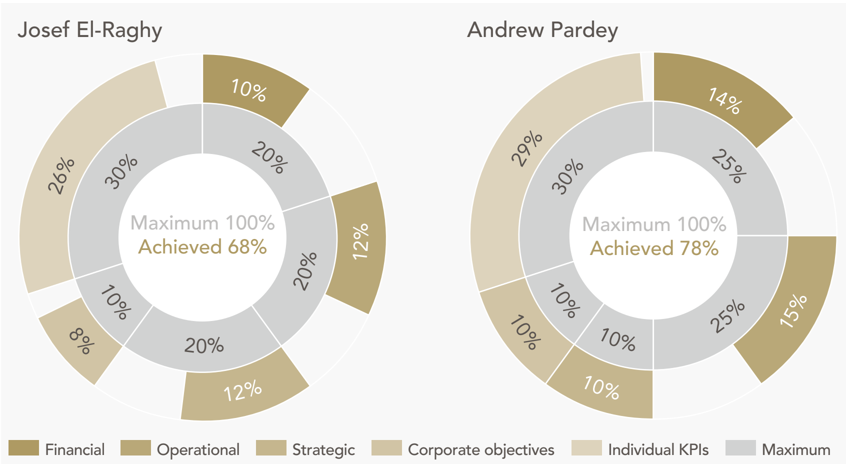
Single figure remuneration 2017

The following chart summarises the total remuneration to the executive directors in 2017.

Full details are shown in the single figure table.



(1) LTI is based on value of 2015 PSP award at full market value on 31 December 2017.



Performance

As set out in the business model and illustrated in the sustainability report, Centamin creates value through the process of gold exploration through to production by maximising production at the lowest possible 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. Performance metrics are determined by the committee to reflect the achievement of the Company in meeting its strategic objectives through the actions and influences of the executive directors. Some of the key metrics determined by the committee to assess performance of the executive directors are as follows:

- **safety** improving the health and safety environment and maintaining a culture of safety in the workplace assessed via long term injury frequency rates ("LTIFR");
- **operational** rewarding delivery of guided production and optimisation of the plant;
- **cost control** maintaining cash cost of production and all-in sustaining cost within budget and forecast rates;
- **social licence to operate** conducting our business in a responsible manner and contributing positively to the local economy and environment through co-operative relations with governments, resulting in operational efficiency; and
- **exploration** carrying out a systematic drilling programme in a cost effective manner.

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

Salary reviews

The committee undertook salary reviews for the executive directors. The independent salary review took into consideration the directors' personal performance, their roles and responsibilities, as well as inflation and cost of living changes. Industry benchmarking data provided additional guidance to the committee in support of their decisions.

The committee agreed an increase of 3% for the Company's CEO, Andrew Pardey, and the chairman, Josef El-Raghy, effective from 1 January 2018 in line with the average cost of living increase.

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.

Performance share plan ("PSP")

Andrew Pardey (CEO) will continue to participate in the PSP in 2018 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 0.91% interest in the Company, he remains aligned with the interests of shareholders.

Shareholder consultation

At the AGM a major shareholder raised concern in the run-up to the AGM about the level of disclosure and rationale for last year's 7% salary increase for the CEO. Although the Company had enjoyed increased production, in a low cost and stable gold price environment during 2016, the disclosures we made in the report failed to link the success of the business with the efforts of the CEO which resulted in the decision for a salary increase. We have engaged further with shareholders and proxy advisers this year to identify areas to improve disclosures and meet shareholder needs.

This year we reflect the actual performance against the targets set out by the committee and disclosed in early 2017. The committee's remuneration policy decisions are fully in line with the shareholder approved remuneration policy(2), which remains unchanged in all material respects from 2016/17.

Bonus structure

The executive bonus opportunity and structure for 2017 will remain the same in 2018. For the executive directors, the maximum bonus opportunity is 175% of salary, provided no PSP award is made. Where an award under the PSP is made, then this bonus opportunity for executive directors is reduced to a maximum opportunity of 125% of salary.

Summary

The executives delivered in 2017, exceeding guided production and operational metrics whilst ensuring a tight control over costs.

The performance this year allowed the Company to maintain a substantial dividend to shareholders. Relations with our JV partner EMRA remain strong as we completed a full year of profit sharing.

Operating Egypt's first modern mine still presents challenges for the executive directors and it is essential that the remuneration committee continues to reward and incentivise exceptional performance in this challenging environment.

At a corporate and strategic level, significant work has been undertaken to assess the viability of a variety of early stage and advanced projects to add to Centamin's project pipeline. Centamin's exploration programmes are also delivering, with a new resource in Côte d'Ivoire and further development across the border in Burkina Faso. The committee has against the backdrop of another successful year made the key remuneration decisions for 2017 which are set out further in this report.

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

31 January 2018

(1) Includes the El-Raghy family.
(2) 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 remuneration report annually for shareholder approval.

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.

Base pay	Motivate and retain executives with the right calibre and skills to support Centamin's objectives.
Benefits	Ensuring a competitive remuneration package.
Pension	Provision of appropriate income for executives in retirement (applied where appropriate).
Annual bonus	Driver and reward for delivering short term performance goals, normally over a financial year.
Performance share plan	Incentive linked to the long term strategic aims of the Company whilst aligning the interests of the executive with shareholders through meaningful share ownership.

Through the Company's performance share plan ("PSP") our longer term incentives support and reward our strategic and operational business objectives, as follows:

Key measures

1 LONG TERM SUSTAINABILITY	BONUS AND AWARDS
Gold production	• 30% of PSP based on production growth over the three year vesting period.
Cost control	• Cash bonus based on achieving published guidance.
Stable finances	• Personal KPIs for formalising and implementing sound policy decisions.
2 PRIORITISING STAKEHOLDER RETURNS	**BONUS AND AWARDS**
Consistent dividend policy	• Delivering shareholder returns in line with the dividend policy.
Shareholder return relative to peers	• 20% of PSP based on relative performance against peers (total shareholder return, TSR).
3 OPTIMAL GROWTH	**BONUS AND AWARDS**
Optimising production	• Identifying high grade from the existing resource and optimising throughput rates.
Self-funded growth and exploration	• 30% of PSP based on reserve replacement and growth.
Exploration in West Africa	• Long term incentives to identify and deliver on projects outside of Egypt.
4 SOCIAL RESPONSIBILITY	**BONUS AND AWARDS**
Safety record and human resources	• LTIFR directly linked to bonus structure and HR metrics.
Government relations and community initiatives	• Maintaining key relationships and delivery of initiatives linked directly to individual KPIs.

Key operational and financial metrics:

- 2017 production: 544,658 ounces produced;
- LTIFR maintained at low levels and further improvement on prior year;
- low cash cost of production at US$554 per ounce produced;
- low all-in sustaining cost at US$790 per ounce sold and US$768 per ounce produced;
- earnings before interest, tax, depreciation and amortisation ("EBITDA") of US$326 million;
- earnings per share ("EPS"): EPS (before profit share with the Egyptian government) of 19.3 US cents; and
- TSR performance: for the performance period from 1 January 2015 to 31 December 2017, Centamin was ranked in the upper quartile against its peer group of international gold mining companies.

PSP

The Centamin performance share plan ("PSP") (previously called the Centamin 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 based upon achievement of predetermined performance requirements to be achieved over a three year period. Of the executive directors, only Andrew Pardey (CEO) has been granted awards under the PSP to date. The performance conditions for the respective grants are as follows:

June 2015 grant – PSP

The performance conditions for the grants made in June 2015 covered the period from 31 December 2014 to 31 December 2017. The performance conditions have now been met and achieved the maximum percentage across the vesting period (threshold at 25% to maximum at 100%):

PERFORMANCE CONDITIONS	RANGE	% ACHIEVED
• 20% of the award assessed by reference to a comparative total shareholder return.	31 December 2014 to 31 December 2017: achieved upper quartile[1]	100%
• 50% of the award shall be assessed by reference to absolute growth in earnings per share.	12% CAGR (100% achieved) 8% CAGR (25% achieved) 31 December 2014: EPS 7.21 31 December 2017: EPS 19.3 (before profit share) CAGR of EPS achieved: 100%	100%
• 30% of the award shall be assessed by reference to compound growth in gold production.	10% CAGR (100% achieved) 6% CAGR (25% achieved) 31 December 2014: gold production of 377,261 ounces 31 December 2017: gold production of 544,658 ounces CAGR of gold production achieved: 100%	100%

(1) TSR against the comparator group was independently verified by Meis remuneration consultants.

Grant date	3rd anniversary of grant date Vesting of award (50% released)	5th anniversary of grant date Release of 50% of award
THREE YEAR PERIOD – PERFORMANCE CRITERIA		TWO YEAR HOLDING PERIOD
FIVE YEAR PERIOD		

June 2016, 2017 grants – PSP

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 EBITDA (adjusted for non-cash impairments); and
- 30% of the award shall be assessed by reference to compound growth in gold production.

June 2018 grants – PSP

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;
- 10% of the award shall be assessed by reference to EBITDA (adjusted for non-cash impairments and non-recurring items);
- 30% of the award shall be assessed by reference to compound growth in gold production; and
- 10% of the award shall be assessed by reference to maintain the Company's dividend policy.

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

Strategic report
Directors' report
Financial statements
Shareholder information

REMUNERATION REPORT
continued

2. Summary of executive remuneration

Chairman

The base salary for Josef El-Raghy, which is paid in sterling, of GBP530,450 for 2017 will rise by 3% effective from 1 January 2018 to GBP546,363 in line with inflation and cost of living changes. An annual pension contribution of 20% of base salary is made to Josef El-Raghy.

The bonus outcome for Josef El-Raghy for 2017 was 68% (2016: 75%) of the maximum opportunity, which equates to GBP631,235 and represents 119% of base salary (2016: 131%). 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 118 and 119.

Chief executive officer

The base salary for Andrew Pardey, which is paid in sterling, of GBP492,200 will rise by 3% effective 1 January 2018 to GBP506,966 in line with inflation and cost of living changes.

The bonus outcome for Andrew Pardey for 2017 was 78% (2016: 77%) of the maximum opportunity, which equates to GBP479,895 and represents 97.5% of base salary (2016: 96%). The bonus calculation is made by reference to a balanced scorecard which comprises a combination of financial, operational, strategic and individual performance criteria. Full details are on pages 120 and 121.

Andrew Pardey participates in the PSP and is due to receive awards in June 2018 of up to 150% of base pay. These awards remain subject to the performance conditions set out in the scheme.

3. The committee

The committee membership

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

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 2017
Edward Haslam (chairman of the committee)	2011	2 of 2 meetings
Mark Arnesen	2011	2 of 2 meetings
Mark Bankes	2017	2 of 2 meetings
Trevor Schultz	2017 – withdrawal following the AGM	0 of 0 meetings

Mark Bankes joined the committee on 1 August 2017, following the withdrawal of Trevor Schultz from the committee to address shareholder concerns in having a non-independent director on the committee. As set out in the Code compliant statement on page 84, the Code requires three independent non-executives to be appointed to the remuneration committee; however, following the withdrawal of Trevor Schultz from the remuneration committee following the 2017 AGM, the committee had two members (both of whom were independent non-executive directors) until the appointment of Mark Bankes on 1 August 2017 when the committee became fully compliant within the meaning of the Code.

The committee met three times during the year, including one meeting held by way of written resolution. The business conducted is set out below.

COMMITTEE MEETING DATE	ACTIVITY
2 June 2017 (written resolution)	• Recommendations made to grant awards to Andrew Pardey under the PSP in line with the PSP and remuneration policy. • Recommended awards to senior management under the terms of the PSP and DBSP. • Finalised awards under the PSP and DBSP and finalised the vesting of awards under the DBSP.
6 October 2017	• 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. • Reviewed executive director salaries and benchmark data. • Reviewed non-executive director fees and benchmark data.
14 December 2017	• 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. • Reviewed of executive director remuneration. • Evaluation of the committee and review of the charter. • Prepared performance criteria recommendations for 2018 for the executive and senior management team.
11 January 2018	• Reviewed DRR for the annual report and finalised the 2017/18 remuneration policy. • Finalised performance conditions for the PSP. • Finalised performance criteria recommendations for 2018 for the executive and senior management team. • Approved the remuneration package for the newly appointed CFO to the role of executive director.

Advisers to the committee

During the year, the committee was supported by the company secretary. TBP2 Limited ("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 21 March 2017 and the resolutions were passed by a majority of 76.42% and 97.59%, 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 26 March 2018. The remuneration policy will be effective following the AGM until the next AGM in 2019.

Following the AGM, the Company announced, in accordance with E.2.2 of the Code the reasons for the significant number of votes cast against the approval of the remuneration report (Resolution 3.1). The Company understands that shareholders had concerns over the level of disclosure provided in respect of incremental increases in base salary for the CEO. Further discussions have taken place with shareholders to explain the rationale for the increase, which the committee agreed on appointment would be applied in two phased increases between 2016 and 2017, subject to performance. The second phased increase of 7% on the CEO's base salary was approved by the committee following a solid operational and financial performance in 2016, which had been achieved as a result of the strong leadership of the CEO.

The committee has considered the disclosures and in particular the linkages between the success of the Company, the individual performance of the executive and how this may in turn impact upon a change in salary. The committee acknowledged that the disclosures in 2016 failed to adequately link this success with the increase in salary for the CEO. The committee notes, however, that the discussions and approvals by the committee adequately assessed the CEO's performance and the increase was carefully considered based on the CEO's performance over the preceding year.

The policy that was put to shareholders on 21 March 2017 was on an advisory basis and remains in force until the conclusion of the AGM in 2018. A copy of the policy is available on the Company's website www.centamin.com.

There are no material changes proposed to the policy in 2018.

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 based 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.

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.

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.

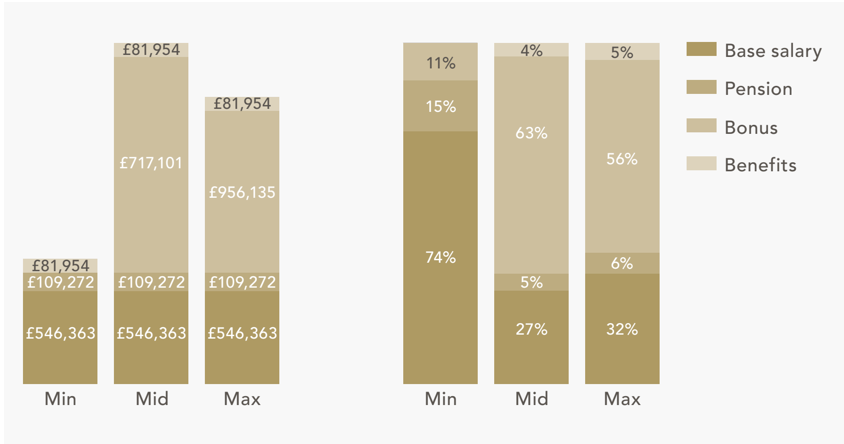
Executive director remuneration

The following graphs set out the remuneration structure for Josef El-Raghy and illustrate the target for the bonus at 75% of the maximum opportunity of 175%. There are no long term incentive elements.

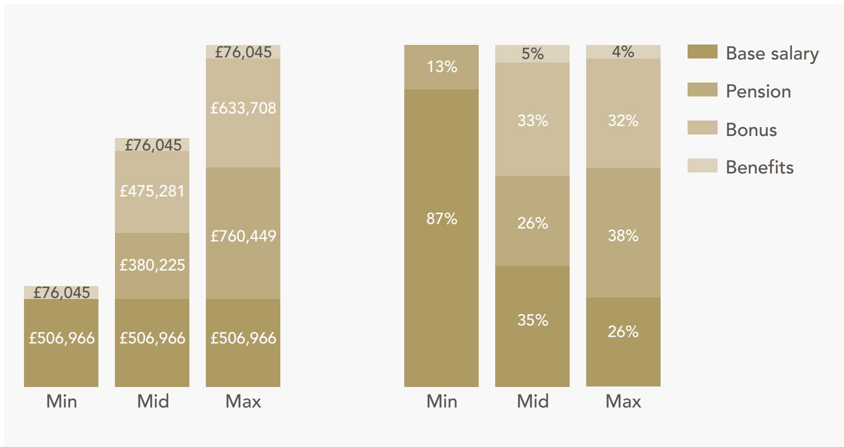
For Andrew Pardey and Ross Jerrard the graphs show the target for the bonus at 75% of the maximum opportunity of 125% of base. The graph assumes that Andrew Pardey and Ross Jerrard will be awarded shares under the terms of the PSP of 150% of base salary with an estimated value at vesting of 50% of the original award value.

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

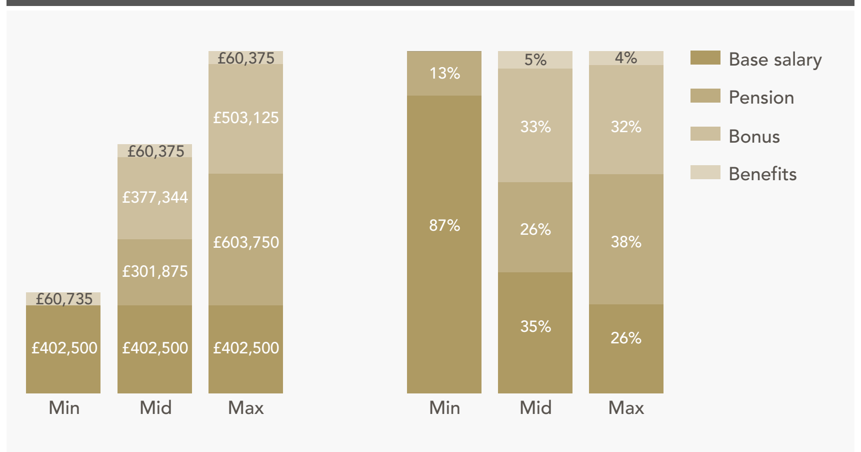
PERFORMANCE TARGETS FOR JOSEF EL-RAGHY



PERFORMANCE TARGETS FOR ANDREW PARDEY



PERFORMANCE TARGETS FOR ROSS JERRARD



REMUNERATION REPORT
continued

REMUNERATION POLICY FOR EXECUTIVE DIRECTORS		
ELEMENT	**DETAILS**	**FOR 2018**
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.	There are no intended changes in the policy for 2018. A 3% increase has been awarded for Josef El-Raghy and a 3% increase for Andrew Pardey effective from 1 January 2018. **Josef El-Raghy** Increase of 3%. New base salary GBP546,363. **Andrew Pardey** Increase of 3%. New base salary GBP506,966.
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 items such 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).	Benefits to remain within the policy.
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.	There are no intended changes to the pension contribution for Josef El-Raghy. Andrew Pardey is not due to receive a pension or a cash payment in lieu of a pension in 2018.
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 PSP. The threshold is achieved at 25% of the maximum opportunity and the target is 75% of the maximum opportunity. Full details of the criteria for awarding bonuses are set out on pages 122 to 124. 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.	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 PSP.

REMUNERATION POLICY FOR EXECUTIVE DIRECTORS continued		
ELEMENT	**DETAILS**	**FOR 2018**
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.	There are no changes to the policy.
Long term incentives Objective To align the interests of the executives with those of shareholders through a meaningful ownership of shares.	The PSP (previously called 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 summary of the performance share plan and the performance conditions are set out below. The aggregate market value (as at the respective award dates) of shares in respect of which awards are made to an eligible employee in any year shall not be greater than 150% of the amount of such eligible employee's salary at the award date, save in circumstances which are considered by the committee to be exceptional, where an absolute limit of 250% of salary may be applied. Awards shall vest upon the vesting date, which shall be the third anniversary of the award date, which in the case of awards in 2018 will be June 2021. These will be subject to the satisfaction specified performance conditions to be assessed over the three-year period running from 31 December 2017 until 31 December 2020. As soon as practicable after the vesting date of a conditional award, the Company shall issue, transfer or procure the transfer (as appropriate) of one half of the total number of vested award shares (rounded down to the nearest whole number) to the award holder. Subject to cause, upon or as soon as practicable after second anniversary of the vesting date, the Company shall issue, transfer or procure the transfer (as appropriate) of the remaining vested award shares constituted in the award to the award holder or, if appropriate, a trustee representing the award holder who has been approved by the committee. Details of the grants and performance conditions for each grant are set out in section 7 of this report.	Awards under the terms of the PSP are to be made to Andrew Pardey and Ross Jerrard in June 2018 up to 150% of base salary. The PSP is available to all executives (and senior management), however there are no current plans to make awards to Josef El-Raghy. There are no proposed changes to the policy.
Executive director contracts of employment	Consistent with current best practice, the executive directors have rolling contracts with notice periods of twelve months or less.	There is no change to this policy.

Share plan policy details

The performance conditions for awards made in 2018 are as follows:

It is proposed that grants be made in 2018 under the terms of the PSP. The suggested criteria is as follows (supporting internal and consensus data is attached):

The awards granted in June 2018 will vest in June 2021 (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 ending 31 December 2020:

- 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) 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;
- mineral reserves: 30% of the award shall be assessed by reference to mineral reserve replacement and growth over the vesting period.;
- EBITDA: 10% of the award shall be assessed by reference to compound growth in EBIDTA over the three-year period to December 2020. If a compound annual growth rate of 3.5% of EBITDA is achieved by 2020, all 10% of the award tranche shall vest. If EBITDA in 2020 is maintained at the levels achieved in 2017, 25% of the award tranche shall vest (i.e. 2.5% 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 2020 and adjusted for any non-cash impairments;

REMUNERATION REPORT
continued

4. Our remuneration policy continued

Share plan policy details continued

- gold production: 30% of the award shall be assessed by reference to compound growth in gold production over the three-year period to December 2020. If a compound annual growth rate of 3.5% of gold production is achieved by 2020, all 30% of the award tranche shall vest. If gold production in 2020 is maintained at the levels achieved in 2017, 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; and
- dividend policy 10%: maintaining the Company's dividend policy as announced in January 2017. A third of the award will vest in each year in which the dividend policy is achieved for dividends declared for the account periods ending December 2018 to December 2021.

It is noted that 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 optimisation. Growth through Centamin led exploration, development and production shall be assessed by the remuneration committee and is contemplated in these metrics.

Policy if a new director is appointed

The Company has a track record of succession planning and growing and promoting talent internally. This can be evidenced following the appointment of Ross Jerrard, CFO, as an executive director.

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 buyout of short and/or long term incentive arrangements (taking account of the performance measures on such incentives) as close as possible on a comparable basis, the provision of long term incentives and the provision of benefits such as housing allowance or similar, particularly where it is an expatriate appointment.

The remuneration committee reviews 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 buyout of 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 buyout 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 buyout awards outlined above the committee may grant awards to a new executive director under Listing Rule 9.4.2. but still the total package offered to a new recruit will not exceed the overall limits set out in the Company's remuneration policy.

Remuneration package for the chief financial officer on appointment as executive director

The remuneration committee reviewed the remuneration package for the CFO, as an executive director effective from 5 February 2018, when he will be appointed to the board. The committee considered the Company's policy on hiring or promoting a director to the board. The committee undertook salary reviews for the position of CFO on the board. The independent salary review took into consideration the director's personal performance, the additional roles and responsibilities serving on the board as well as inflation and cost of living changes. Industry benchmarking data provided additional guidance to the committee in support of their decisions.

The committee also noted that Ross Jerrard has been responsible for leading crucial efficiency objectives, including the material improvement to internal and external reporting systems, successful implementation and framework upgrades to cost monitoring and cost control measures, and delivery of an accelerated monthly, quarterly and annual reporting timetable of accounts. These factors, which contributed to the decision to promote Ross to the board, together with the additional roles and responsibilities Ross will be undertaking on the board, led the committee to agree the overall package including the salary increase and increase in bonus opportunity.

	ROSS JERRARD (CFO APPOINTED TO THE BOARD)
Date of agreement	Effective 5 February 2018.
Base salary	£402,500 per annum (to be paid in sterling and represents a 15% increase on his current salary as CFO not holding a position on the board).
Bonus opportunity	Eligible to participate in an annual bonus arrangement as determined by the committee from time to time. The committee determined a rate of 125% of base salary (in line with the policy), representing an increase from a rate of 100% from his current contract).
Long term incentives	Eligible to participate in the PSP. Awards under the terms of the PSP are to be made to Ross Jerrard in June 2018 up to 150% of base salary (in line with the policy).
Notice period	Twelve months' notice from either party.
Expiry date	No fixed expiry date as rolling contract.
Pension	Ross Jerrard will not receive a pension or a cash payment in lieu of a pension and this will remain under review.
Benefits	Entitlement in accordance with the remuneration policy.
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, Ross Jerrard 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.

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. 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, subject to the garden leave provisions, which may be applied in certain circumstances.

Subject to the employee's compliance with the Company's sickness absence procedures (as amended from time to time), the employee shall continue to receive his full salary and contractual benefits during any period of absence due to incapacity for up to an aggregate of 10 days in any 52 week period. Such payment shall be inclusive of any statutory sick pay due in accordance with applicable legislation in force at the time of absence. 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 months' 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.

REMUNERATION REPORT
continued

4. Our remuneration policy continued

Policy on payment for loss of office
continued

Claw back provisions for executive directors relate to bonus and holiday taken in advance. Bonus payments to executives are deferred until after the completion of the audited accounts for the year of assessment. The KPIs and performance measures, including the operational and financial metrics, are determined in January following the year of assessment. Due to the nature of the mining operation the relationship between the physical statistics and financial outcomes, performance can be analysed and assessed soon after the year end, which allows for the conclusions on the bonus performance to be carried out on a timely basis. Therefore there are no longer term deferrals or staggered release of bonus payments. However, the remuneration 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 remuneration committee's decision to pay part or all of any bonus.

PSP provisions

In relation to the PSP, 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 an award holder who is serving notice under their contract, then the individual will be expected to work through the notice period and will be entitled to all benefits under the service agreement during that period. Vested awards which remain subject to the two year holding period would be released to an award holder, subject to the scheme rules and malus claw back provisions set out below, at the end of the notice period. Where an award holder ceases to be an eligible employee, the unvested award would lapse. The remuneration committee will, at their discretion, apply the pro-rated formula in accordance with the scheme rules, for instances where a good leaver (as determined by the remuneration committee) is otherwise absent or unfit for work during the period prior to vesting.

A malus claw back provision is included in the PSP 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 POLICY FOR NON-EXECUTIVE DIRECTORS		
ELEMENT	**DETAILS**	**FOR 2018**
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 ("SID") 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.	There are no changes to the fee structure in 2018. The fees for the other non-executives will next be reviewed in 2018. The fee structure is: • basic fee GBP65,000; • chair of a committee GBP10,000; and • member of a committee GBP5,000. The fees payable to the SID reflect the enhanced role undertaken by Edward Haslam. The fee of GBP125,000 remained unchanged in 2017 and no further remuneration has been applied for additional committee membership during the year. The fees payable to the SID are subject to an annual review and there are no proposed changes to the fee structure in 2018.
Independent chairman	Following the announcement in January 2018 that the current executive chairman intends to retire by the end of 2018, a process will be followed to identify an independent non-executive chairman. Should an independent chairman be appointed in the future, the level of annual fees payable to the chairman will be dependent on the experience of the successful candidate.	The intention is to appoint a new independent non-executive chairman in 2018. An ordinary resolution will be included in the next AGM increasing the total level of fees that can be paid to non-executive directors to take account of the non-executive fees payable to the new chairman on appointment.
Incentives Objective No incentives.	The non-executive directors do not participate in any short or long term incentive plans.	There is no change to the policy for 2018.
Letters of appointment for non-executive directors	Under the Articles of Association adopted by the Company, all directors are 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.	There is no change to the policy for 2018.

Implementation of policy

The Company intends to implement the remuneration policy for 2018 as detailed in this remuneration report.

REMUNERATION REPORT
continued

5. Annual remuneration report

Single figure table in US$ (audited)

Executives	**Salary 2017**	Salary 2016	**Benefits 2017**	Benefits 2016	**Bonus 2017**	Bonus 2016	**LTI 2017**	LTI 2016	**Pension 2017**	Pension 2016	**Total 2017**	Total 2016
Josef El-Raghy	**687,735**	691,998	**26,239**	47,758	**852,675**	831,719	**Nil**	Nil	**137,547**	138,402	**1,704,196**	1,709,877
Andrew Pardey	**638,143**	607,475	**84,076**	62,511	**648,244**	535,906	**1,726,328**	Nil	**Nil**	Nil	**3,096,791**	1,205,892
Total	**1,325,878**	1,299,473	**110,315**	110,269	**1,500,919**	1,367,625	**1,726,328**	Nil	**137,547**	138,402	**4,800,987**	2,915,769

Non-executives	**Fees 2017**	Fees 2016	**Benefits 2017**	Benefits 2016	**Bonus 2017**	Bonus 2016	**LTI 2017**	LTI 2016	**Pension 2017**	Pension 2016	**Total 2017**	Total 2016
Edward Haslam	**163,185**	165,661	—	—	—	—	—	—	—	—	**163,185**	165,661
Mark Bankes	**113,773**	112,649	—	—	—	—	—	—	—	—	**113,773**	112,649
Mark Arnesen	**113,773**	112,649	—	—	—	—	—	—	—	—	**113,773**	112,649
Trevor Schultz	**104,438**	100,934	—	—	—	—	—	—	—	—	**104,438**	100,934
Total	**495,169**	491,893	—	—	—	—	—	—	—	—	**495,169**	491,893

Notes to table:

- Josef El-Raghy and Andrew Pardey are paid in sterling.
- There have been no vesting events in respect of the PSP during 2016 or 2017, however the performance conditions relating to the awards granted in 2015 have been met as at 31 December 2017 and the full market value (based on the average of the last three months of 2017) has been attributed to the table above. The original market value of the award in June 2015 was US$861,660 and the increase in market value to US$1,726,328 is reflective of the change in the value of Centamin shares over the three-year period. Details of the grants made to Andrew Pardey under the terms of the PSP can be found on page 125.
- The pension payable to Josef El-Raghy represents a cash payment in lieu of contributions to a pension scheme.
- Benefits are within the limits of the policy and relate primarily to travel related costs to and from the original place of domicile.
- Directors' remuneration paid in foreign currency was converted at an average rate during the year. The average GBP:US$ exchange rate for 2017 was 1.2965. Bonus accruals for 2017 applied an exchange rate of GBP:US$1.3508 to reflect the exchange rate at the end of the year.

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 2017	As at 31 December 2016
Annual base fee	**GBP65,000 (US$84,273)**	GBP65,000 (US$79,980)
Chairman of a board committee	**GBP10,000 (US$12,965)**	GBP10,000 (US$12,305)
Member of a board committee	**GBP5,000 (US$6,482)**	GBP5,000 (US$6,152)
Deputy chairman and senior independent director	**GBP125,000 (US$162,064)**	GBP125,000 (US$153,808)

Notes to table:

- As the Company has an executive chairman, Edward Haslam undertakes an enhanced role as deputy chairman and senior non-executive director. These duties are reflected in this fee. The fee remains unchanged in 2017 and no further remuneration has been applied for additional committee membership.
- The Company reviewed the non-executive director fees during 2017 and no increases were proposed.
- The non-executive directors do not participate in any of the Company's share plans or incentive plans.
- The US$ figure in the table reflects the average exchange rate during the year, which may differ from the amount shown in the single figure table as payments to non-executive directors are made quarterly and reflect the exchange rate at the date of the transaction.

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, skills and responsibilities 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.

Base pay – wider workforce

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. Since the government of Egypt floated EGP in November 2016, the Egyptian pound has been significantly devalued and during 2017 there was a notable increase in inflation rates. In response, the Company has increased salaries across the majority of the workforce who receive salary in EGP. The general workforce at Sukari received a 20% increase in 2017. The heads of department, who are paid in EGP, received a 30% increase to mitigate the inflation impact and also recognising the level of responsibility attributed to these senior positions.

Base salary for Josef El-Raghy, which is paid in sterling, at GBP530,450 for 2017 will rise by 3% effective from 1 January 2018, in line with the cost of living increase to GBP546,363.

Base salary for Andrew Pardey, which is paid in sterling, at GBP492,200 will rise by 3% effective from 1 January 2018, in line with the cost of living increase to GBP506,966.

On appointment to the board, the base salary for Ross Jerrard, which is paid in sterling, will be GBP402,500, effective 1 January 2018, to reflect the director's performance, the additional roles and responsibility serving on the board and inflation and cost of living changes.

2017 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, financial, strategic and corporate performance. The bonus structure is linked to the Company's strategic priorities as follows:

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 assess performance such as controls over costs, production rates, targeted drilling through exploration as well as encouraging a safety culture and sustainable operations.

REMUNERATION REPORT
continued

5. Annual remuneration report continued

2017 annual bonus continued

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.

2017 – 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%	50%	10%
	Operational (see breakdown below)	20%	35%	60%	12%
	Strategic	20%	35%	65%	12%
	Corporate	10%	17.5%	80%	8%
Individual targets	Individual KPIs	30%	52.5%	87%	26%
	Total	**100%**	**175%**		**68%**

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 (US$m)	10%	297	363	330	60%	6%
	All-in sustaining cost (US per ounce)	10%	790	711	768	40%	4%
Operational (20%)	Production ('000 ounces)	15%	486	594	545	67%	10%
	LTIFR	5%	0.27	0.01	0.22	40%	2%

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.
- A minor adjustment to EBITDA has been applied for non-cash impairments during the period resulting in the actual performance measure above.
- AISC is based on ounces produced.
- Production is based on ounces produced.
- LTIFR is based on 200,000 working hours calculated for the group.

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 (AUDITED)	
Strategic (sustainability, stakeholder returns, optimal growth and social responsibility) • Maintaining the dividend payout in accordance with the policy. • Accurate guidance maintained throughout the year. • M&A opportunities reviewed and assessed.	Total achieved: 13%
Corporate • Corporate governance improvements – engagement programme with shareholders. • Maintain sound corporate governance and structure, board leadership and effective management of the board, executive development and succession planning.	Total achieved: 8%
Individual KPIs • Continued handover of roles and responsibilities to the CEO. • Maintaining good relations with the authorities in Egypt and administration of the Concession Agreement. • Formalisation and communications of business strategy. • In-country stakeholder management and shareholder relations.	Total achieved: 26%

Details of the achievements of the Company for 2017 are set out in the strategic report, which the committee considered when applying the performance measures under the strategic, corporate and individual KPIs.

On this basis, the committee determined that 68% of the maximum bonus of 175% of Josef El-Raghy's 2017 base salary had been achieved. This resulted in a payment of GBP631,235.

REMUNERATION REPORT
continued

5. Annual remuneration report continued

2017 annual bonus continued

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 (exploration 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.

2017 – 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%	52%	14%
	Operational (see breakdown below)	25%	31%	60%	15%
	Strategic	10%	12.5%	100%	10%
	Corporate	10%	12.5%	100%	10%
Individual targets	Individual KPIs	30%	37.5%	96%	29%
	Total	**100%**	**125%**		**78%**

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 (US$m)	15%	297	363	330	67%	10%
	All-in sustaining cost (US$ per ounce)	10%	790	711	768	40%	4%
Operational (20%)	Production ('000 ounces)	20%	486	594	545	67%	13%
	LTIFR	5%	0.27	0.01	0.22	40%	2%

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.
- A minor adjustment to EBITDA has been applied for non-cash impairments during the period resulting in the actual performance measure above.
- AISC is based on ounces produced.
- Production is based on ounces produced.
- LTIFR is based on 200,000 working hours calculated for the group.

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 (AUDITED)	
Strategic (sustainability, prioritising stakeholder returns, optimal growth and social responsibility) • Sukari underground reserve expansion. • Further optimisation of the process plant (throughput rates). • Exploration programme over licence areas in Burkina Faso and Côte d'Ivoire.	Total achieved: 10%
Corporate • HSES objectives including Sukari, Burkina Faso and Côte d'Ivoire social initiatives. • Emissions controls and water management. • Culture at an operational level including training and development of HODs and staff.	Total achieved: 10%
Individual KPIs • Management of team and senior staffing levels. • Reserve and resource preparation at Sukari and Côte d'Ivoire and Burkina Faso preliminary resource development • Development of Cleopatra. • Sustainability objectives including CDP and moving to GRI compliance. • Environmental incident record and improvements in emissions. • Governance objectives including diversity improvements and senior management appointments. • Mine management, zero industrial action and strong leadership.	Total achieved: 29%

Details of the achievements of the Company for 2017 are set out in the strategic report, which the committee considered when applying the performance measures under the strategic, corporate and individual KPIs.

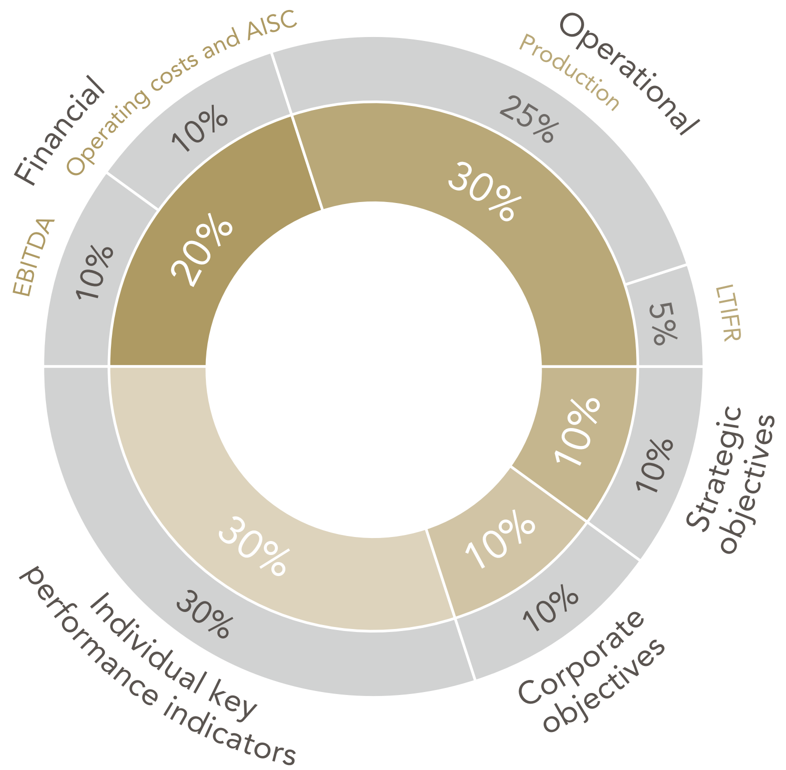
On this basis, the committee determined that 78% of the maximum bonus of 125% of Andrew Pardey's 2017 base salary had been achieved. This resulted in a payment of GBP479,895.

REMUNERATION REPORT
continued

5. Annual remuneration report continued

Performance targets for 2018

The objectives for 2018 are set against the balanced scorecard. For both executive directors, the performance will be measured against a combination of financial targets (EBITDA and AISC) and operational targets (production and LTIFR) as illustrated below, together with strategic, corporate and individual KPIs:



2018 bonus

The committee notes that during 2018, Josef El-Raghy will be serving a twelve-month notice period under his contract, during which time a successor for the role of chairman will be identified. Whilst Josef El-Raghy is actively undertaking the role of executive chairman and handover of responsibilities, a bonus award will be applied based on a balance scorecard approach. The committee noted that specific annual metrics would not be appropriate during this period; however, both financial and operational targets will be based on the disclosed metrics and, where appropriate, time apportioned. The balance scorecard is set out overleaf:

- 70% – the business targets are based on:
  - 40% – financial and operational (based on an improvement in profitability, cost against budget, health, safety and environment and operational efficiency);
  - 20% – strategic measures (M&A opportunities, maintaining the dividend policy and project delivery); and
  - 10% – corporate (maintaining sound corporate governance and structure, board leadership and effective management of the board, executive development and succession planning).
- 30% – the individual tasks are based on an orderly handover of chairmanship responsibilities, continuing to build and motivate the management team, handover of executive roles to the COO, continuing to communicate the business strategy and ongoing stakeholder management and shareholder relations.

The committee notes that other than annual salary, payment in lieu of pension and the annual bonus opportunity, which will be payable during the notice period, there are no other entitlements (contractual or otherwise) that are due to Josef El-Raghy.

For Andrew Pardey the bonus for 2018 will be based upon the balanced scorecard approach, as follows:

- 70% – the business targets are based on:
  - 20% – financial (profitability/financial position, cost against budget and operational efficiency);
  - 30% – operational (meeting production guidance, health, safety and environment, CSR development, open pit and underground mining, resource and reserve growth);
  - 10% – strategic measures (Sukari underground reserve expansion, exploration success in Egypt and elsewhere, M&A opportunities including geographical diversification); and
  - 10% – corporate (HSES objectives including Sukari, Burkina Faso and Côte d'Ivoire social initiatives, emissions controls and water management and developing the organisational culture).
- 30% – achieving pre-feasibility study in West Africa and building relations with the authorities in Burkina Faso and Côte d'Ivoire. Governance objectives including diversity improvements and senior management appointments. A new element will be assessed under the individual KPIs and these relate specifically to ESG related targets. These include the following for 2018:
  - environmental: preparation of a feasibility study for the installation of a 15MW solar power plant on site at Sukari;
  - employee welfare: continue to develop and review HR policies and procedures;
  - human rights: review the 2015 Act further with a view to enhancing the Company's existing human rights policies during 2018, giving consideration to the 2015 Act and related UK guidance on adherence with the Act's principles; and
  - disclosure: develop policies and processes towards GRI compliance.

For Ross Jerrard the bonus for 2018 will be based upon the balanced scorecard approach, as follows:

- 70% – the business targets are based on:
  - 20% – financial (profitability/financial position, cost against budget and operational efficiency);
  - 30% – operational (meeting production guidance, health, safety and environment, CSR development, open pit and underground mining, resource and reserve growth);
  - 10% – strategic measures (M&A opportunities including geographical diversification and exploration success in Egypt and elsewhere); and
  - 10% – corporate: deliver on annual audit plans (internal and external), financial controls and framework, deliver all financial compliance across the group and subsidiaries and overall responsibility for tax, treasury, risk and insurance.
- 30% – the individual tasks are based on building the management team and taking on the new responsibilities as executive director. These include building team capabilities across finance and HR, delivering high quality and timely financial and non-financial metrics, providing quality and timely financial information to the board and implementing upgrades to financial systems and reporting.

REMUNERATION REPORT
continued

5. Annual remuneration report continued

Performance targets for the financial and operational performance measures for 2018 are as follows:

	Performance measure	% of bonus opportunity for Josef El-Raghy	% of bonus opportunity for Andrew Pardey	% of bonus opportunity for Ross Jerrard
Financial	EBITDA	—	10%	10%
	AISC and production costs	—	10%	10%
Operational	Production	—	25%	25%
	LTIFR	—	5%	5%
	Financial and operational metrics	40%		
Strategic	Balanced scorecard	20%	10%	10%
Corporate	Balanced scorecard	10%	10%	10%
Individual KPIs	Balanced scorecard	30%	30%	30%

Notes to table:
- Threshold achievement represents 25% of the bonus opportunity for the respective performance measure.
- Target achievement represents 75% of the bonus opportunity for the respective performance measures.
- 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.

Financial and operational performance measures

	% awarded	Threshold (25%)	Target (75%)	Max (100%)
EBITDA	10%	-10%	Budget	+5%
AISC and production costs	10%	+10%	Guidance	-5%
Production	25%	-10%	Guidance	+5%
LTIFR	5%	Based on improvement on prior year to near-zero injury		

Notes to table:
- An adjustment to EBITDA shall be applied for non-cash impairments during the period when calculating actual performance.
- AISC and cash cost are based on ounces produced (targets assume gold produced is equal to gold sold in the year).
- Production is based on ounces produced.
- LTIFR is based on 200,000 working hours calculated for the group.
- Guidance is set out in the preliminary production announcement in January 2018. Budget EBITDA is based on internal assumptions including gold price and other cost parameters and is therefore not disclosed for reasons of commercial sensitivity. The performance against these metrics will be disclosed in full in the 2018 annual report.

Pension arrangements (audited)

Josef El-Raghy is entitled to a payment in respect of pension entitlement equal to 20% of base pay. Andrew Pardey and Ross Jerrard do not currently receive a pension entitlement.

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 performance share plan (PSP) for directors and senior management.

The performance conditions, as published in 2015, for the 4 June 2015 awards yielded a 100% return. Of the 900,000 awards granted in 2015 to Andrew Pardey, 50% of the awards are due to vest on 4 June 2018 with the remainder subject to a holding period of two years. The performance conditions for the grants made in June 2015 covered the period from 31 December 2014 to 31 December 2017. The performance conditions have now been met and achieved the maximum percentage across the vesting period (refer to the table in remuneration at a glance on page 105).

2015
Grant

2018
Vesting of award

2020
Release of 50% of award

THREE YEAR PERIOD – PERFORMANCE CRITERIA

TWO YEAR HOLDING PERIOD

FIVE YEAR HOLDING PERIOD

Award	Type	End of performance period	Basis of award granted	Granted	Total vested	Total unvested[4]	Value of award at grant date in US$	**Total vested in 2017**
PSP 4 June 2015	Conditional award	31 Dec 2017	150% of base salary	900,000	—	900,000	861,660[1]	—
PSP 4 June 2016	Conditional award	31 Dec 2018	150% of base salary	690,000	—	690,000	931,597[2]	—
PSP 4 June 2017	Conditional award	31 Dec 2019	150% of base salary	440,000	—	440,000	824,560[3]	—

(1) The value of the award granted under the terms of the PSP on 4 June 2015 in US$ is 20% TSR: 0.7894; 50% EPS: 0.9994; 30% gold production: 0.9994. The market value of the shares as at the date of the award, in accordance with the scheme rules, was £0.69 per share.
(2) The value of the award granted under the terms of the PSP on 4 June 2016 in US$ is 20% TSR: 0.9107; 30% reserve growth: 20% EBITDA: 1.46 30% gold production: 1.46. The market value of the shares as at the date of the award, in accordance with the scheme rules, was £0.985 per share.
(3) The value of the award granted under the terms of the PSP on 4 June 2017 in US$ is 20% TSR: 1.49; 30% reserve growth: 20% EBITDA: 1.97 30% gold production: 1.97. The market value of the shares as at the date of the award, in accordance with the scheme rules, was £1.67 per share.
(4) The performance conditions for the grant made in June 2015 were met in full at 31 December 2017 and the current market value is included in the single figure table. The awards made in June 2015 will vest in June 2018.

Payment to past directors (audited)

There are no payments to past directors of the Company.

Payment for loss of office (audited)

There are no payments to directors for loss of office.

REMUNERATION REPORT
continued

5. Annual remuneration report continued

Service agreements for directors continued

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.

Executive directors' contacts of employment and non-executive directors' service agreements are available at the registered office and at the annual general meeting.

	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.	Andrew Pardey does not receive a pension or a cash payment in lieu of a pension and this will remain under review.
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.
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.
Long term incentives	Eligible to participate in the PSP.	Eligible to participate in the PSP.

To encourage ownership of shares and thereby create a link of interest between shareholders 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.

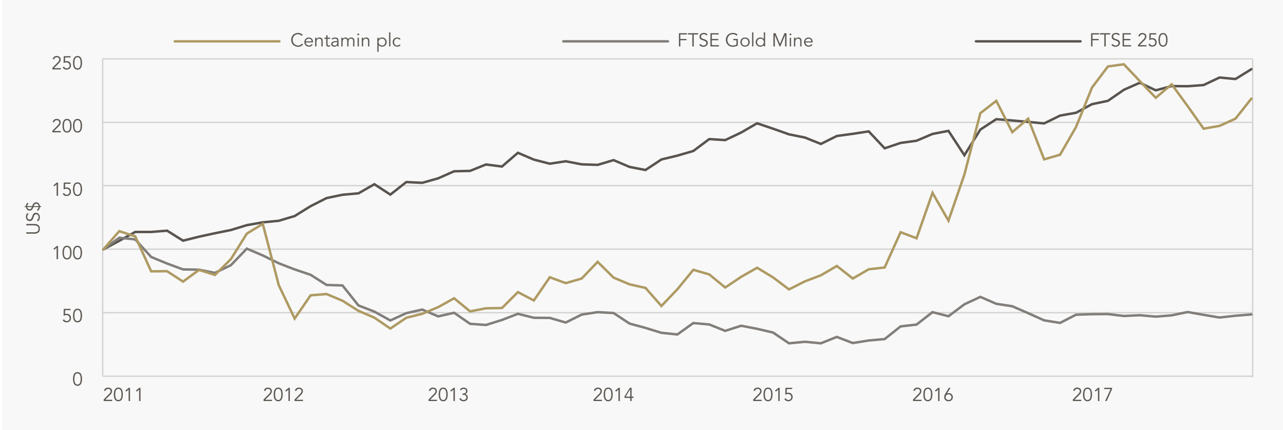
Name	As at 31 December 2017	Unvested awards under the PSP	Percentage of base salary/fees[3,4]
Executive directors[2]			
Josef El-Raghy	**10,500,000**	—	3,000%
Andrew Pardey	**1,069,268**[1]	2,030,000	180%
Non-executive directors[2]			
Edward Haslam	**102,056**	—	129%
Trevor Schultz	**32,600**	—	91%
Mark Bankes	**150,000**	—	278%
Mark Arnesen	**49,000**	—	60%

(1) Excludes unvested awards under the PSP.
(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 2017 to the date of this report.
(4) The valuations of the shareholdings are based on the share price at 31 December 2017.

6. Comparative remuneration data

Performance graph and CEO remuneration table

The graph below compares the TSR of the Company to the FTSE 250 and the FTSE 350 Mining indices. The graphs show the return for the last six years. The graphs were chosen to allow shareholders to compare the Company's performance against other mining companies in the sector.



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
2017 (chairman)	**US$1,704,196**	68%	Nil

CEO – Andrew Pardey	Single figure remuneration	Annual bonus as % of maximum	Long term incentives
2015 (eleven months as CEO)	US$1,063,348	68%	PSP award 150% of base salary
2016	US$1,205,892	77%	PSP award 150% of base salary
2017[1]	**US$3,096,791**	78%	PSP award 150% of base salary

(1) Includes the value of the long term incentive plan which is based on value of 2015 PSP award at full market value on 31 December 2017.

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.

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continued

6. Comparative remuneration data continued

Percentage change in remuneration (unaudited)

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

	Percentage change in salary between 2016 and 2017	Percentage change in benefits between 2016 and 2017	Percentage change in bonus between 2016 and 2017
Comparator group(1)	-10%	-48%	-11%
Centamin's chief executive officer(2)	5%	34%	21%

(1) Based on the average number of employees based in Egypt in 2017: 1,345 (2016: 1,341 employees). See page 33 for details on the devaluation of EGP.
(2) Based on the US$ amount disclosed in the single figure table (excludes change in PSP).

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.

Between 2016 and 2017	Percentage change
Comparator group(1)	-12%
Remuneration of Centamin's executive directors	5%
Remuneration of Centamin's non-executive directors	0%
Distributions to Centamin shareholders(2)	-20%

(1) Based on the average number of employees based in Egypt in 2017: 1,345 (2016: 1,341 employees). See page 33 for details on the devaluation of EGP.
(2) The percentage change relates to distributions to shareholders based on the amount paid during 2016 and 2017.

Centamin is not required to report under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 as only a few members of staff are either UK tax residents or have a UK nexus. The majority of the workforce are based in Egypt.

Since the government of Egypt floated EGP in November 2016, the Egyptian pound has been significantly devalued and during 2017 there was a notable increase in inflation rates. In response, the Company has increased salaries across the majority of the workforce who receive salary in EGP. The general workforce at Sukari received a 20% increase in 2017 and heads of department, who are paid in EGP, received a 30% increase in 2017. During the same period, US$ has significantly outperformed US$ which is illustrated in the table above.

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.

Following the adoption of the performance 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).

June 2017

3,459,000 conditional awards to employees of the group (of which 440,000 awards were made to Andrew Pardey, CEO).

In total, 40 employees participate in the PSP, including heads of department and senior personnel based on site, as well as members of the senior management team located at the head office.

The awards 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. Details can be found in the 2016 annual report and accounts.

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. Details can be found in the 2016 annual report and accounts.

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 based on the performance conditions over the three-year financial period ended 31 December 2017, 100% of the award shall vest. Details can be found in the 2016 annual report and accounts.

Deferred bonus scheme (not for directors)

This plan, introduced in 2012, allows the annual bonus to be matched with shares which are then ordinarily released in three annual tranches, conditional upon 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.

The DBSP, now in its sixth year, provides a simple yet effective incentive to senior management and senior employees below board level, motivating and retaining individuals over the longer term. Three employees remain in the scheme.

At the AGM of the Company on 21 March 2017 the following votes for and against the adoption of the remuneration report were as follows:

	For	Against	Withheld
Approval of the remuneration report	606,171,125 (76.42%)	186,206,250 (23.47%)	870,666
Approval of the remuneration policy	774,144,510 (97.59%)	18,755,959 (2.36%)	347,571

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

Edward Haslam
Chairman of the remuneration committee

31 January 2018

AUDIT AND RISK REPORT

Mark Arnesen
Chairman of the audit and risk committee

Inspection of grinding balls delivered to Sukari

The committee were satisfied with the adequacy of the systems and controls in place during the year and the effectiveness of the external auditor.

Dear shareholders

I am pleased to present this report covering the activities of the audit and risk committee during 2017.

The report also summarises the work of the external auditor and our assessment of their effectiveness, the activities and assurances given by the internal auditor and the responsibilities of the committee in line with the Code. As an audit and risk committee reporting to the board, the committee considers in detail the suitability of the Company's risk management and internal control systems.

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 92 and 93. All committee members attended all six scheduled meetings during 2017.

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. All members of the audit and risk committee are financially literate and competent within this industry.

The committee meetings are regularly attended, by invitation, by the chairman, CEO and CFO along with the company secretary. 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 financial statements and interim MD&A (a requirement of the Toronto Stock Exchange).

A summary of the committee's responsibilities and activities carried out during 2017 are set out below:

TOPICS	COMMITTEE RESPONSIBILITIES
External auditor	Approval of the external audit plan and assessment of the effectiveness of the external auditor. Review of the audit committee report prepared by the auditor following the half year review and annual audit.
Internal audit	Approval of the scope of the internal audit function and review of work carried out in 2017.
Financial reporting	Making recommendations to the board for the approval of the quarterly, half-year and annual results.
Accounting matters and judgments	Review of management papers and challenging the proposals relating to areas of significant judgments and estimates.
Risk reporting	Review and monitoring of the risk management processes including periodic reviews of the corporate, strategic and operational risks, linkages to strategic goals and adequacy of the assessment of risk throughout the business.
Internal controls	Review of the internal control environment, to include controls over financial reporting, budgeting and reporting obligations. Carrying out an assessment of the control environment and reporting findings to the board.
Accounting for transactions	Review of the cost recovery model and mechanism for profit sharing with EMRA.
Responding to regulators	Responding to requests from regulatory bodies; see note below on the committee's involvement in responding to the FRC's periodic review.
Taxation	Review of the Company's global tax strategy, in-country taxes and cross jurisdictional tax compliance. Responding to the Australian Tax Authority streamline review.
Dividends	Ensuring the dividend proposals are in line with the group policy and making recommendations to the board.
IT systems	Review of recommendations relating to the IT infrastructure, IT systems development and controls, software upgrades and the impact and implementation of GDPR.
Charter	Update of the committee charter in line with the Code and best practice guidelines.

During the year, the committee carried out an evaluation of its own performance. The assessment considered the activities of the committee and the improvements in timely and accurate delivery of financial information, the continued development of the external relationships with the auditor and internal auditors, particularly given new members were involved on both sides this year. 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 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. During the evaluation, the committee and board were mindful that each of the three members of the committee had served for six years. The nomination report sets out details of the review that has been undertaken and considerations and plans for progressive refreshment of the board.

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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. With the commencement of profit share payments to the Egyptian Mineral Resource Authority ("EMRA") the committee considered management's judgments in determining profit share and the approach taken in reconciling the CRM under the terms of the Concession Agreement. The committee agreed with the accounting treatment and judgments in determining the allocation of profit share.	Committee actions • Approval of CRM. • Agreement on timing and mechanism of profit sharing in compliance with the Concession Agreement. Management actions • Profit share payments to EMRA and reconciliation of amounts due under the CRM. • 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 of inventory however, in respect of inventory obsolescence, a provision of US$5.14 million had been applied.	Committee actions • Review of management accounting papers. • Monitoring system improvements of identification of slow-moving or obsolete stock. Management actions • Inventory software upgrades to assist management in categorising stock. • Action taken to reduce stock levels and improve inventory holding periods, identification of slow-moving and obsolete stock.
Amortisation of underground development drives	Accounting for transactions	The transfer of underground development from capital work in progress to mine development properties occurred roughly every two years when a reserve and resources statement was issued. Management and the board determined that this was not sufficient and a new estimate of a theoretical reserve was created to allow this transfer to occur every six months. The board agreed with the assessment produced by management and this was put into effect, the result of which was a much smaller underground development balance within capital work in progress at year end and a reduced amortisation balance compared to prior years.	Committee actions • Review of management accounting papers. • Agreement on calculation of theoretical reserve and timing of transfers from capital work in progress to mine development properties. Management actions • Collection of data and review of changes in theoretical reserve which triggers the transfer to mine development properties. • Amortising the new mine development properties balance correctly over the new theoretical reserve.
Revenue recognition	Accounting standards	An analysis of IFRS 15 was performed and it was concluded that the new standard will not have an impact on the timing of our revenue recognition. Revenue from development assets (E&E) and analysis of IFRS 6 and the treatment of revenue generated from an exploration asset at Sukari (Cleopatra). The committee agreed with management's assessment of revenue recognition.	Committee actions • Review of the new standard which is effective 1 January 2018. • Consideration of the management paper and potential impact on key metrics. Management actions • Review of the new standard against the terms of the refining agreement, timing and transfer of risk to the refiner as well as the physical movement of gold doré. • Review of the treatment of offsetting any revenue generated against cost capitalised during the exploration phase.

TOPIC	SIGNIFICANT ISSUE	SUMMARY OF THE SIGNIFICANT ISSUE	KEY ACTION POINTS
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. Any exploration permits relinquished or lapsed have been written off during the period. In making the assessment as to the possibility of whether impairment losses have arisen, the committee assessed: • exploration and evaluation of mineral resource for indicators of impairment; and • exploration and evaluation assets for Sukari, Burkina Faso and Côte d'Ivoire. The committee agreed with management that there were no triggers for a full impairment review under IAS 36.	Committee actions • The committee reviewed the papers presented by management in respect to IAS 36 and IFRS 6 and were in agreement with the conclusions set out above. • Review of the exploration strategy at Sukari, Burkina Faso and Côte d'Ivoire presented by the CEO, GM and chief exploration manager. Management actions • Analysis of the trigger events that may initiate an impairment review. • Review of exploration activity and strategic milestones for resource identification. • Technical geological review and assessment of the exploration programmes. • Budgeting for exploration programmes and capital commitments.
Financial Reporting Council ("FRC")	Regulatory review	The FRC requested further information on 27 October 2017 across three principal areas: • significant judgments – control of Sukari Gold Mine ("SGM"); • sensitivity of estimates disclosures; and • alternative performance measures ("APMs") – free cash flow. Management prepared a detailed and comprehensive response addressing each of the areas raised, for review by the committee.	Committee actions • Noting that the FRC review covered the key judgments which the committee and board have previously considered. • Review of the information request and reply to the FRC. Management actions • Preparing a detailed response to the FRC with input from PwC. • Collating relevant papers and supporting documents to respond to the review.
Accounting basis of preparation	Going concern and longer-term viability	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 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 22 to the financial statements; • forecast gold price; • production volumes; and • costs and recovery rates. These financial statements for the year ended 31 December 2017 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.	

AUDIT AND RISK REPORT
continued

Fair, balanced and understandable

The committee was satisfied that the controls over the accuracy and consistency of the information in the 2017 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 committee, in reviewing the annual report and accounts, also noted the need for concise reporting. The committee has worked with management to clearly demonstrate, through carefully structured tables, graphs and images, the linkages between risk, the Company's strategic aims and the structure for rewarding performance.

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 2017, 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, which the committee are pleased to see have increased in 2017 in line with the improvements made to the control environment. The committee also agreed with the key audit risk areas that were identified by PwC.

During the year the FRC carried out a review of the 2016 annual report which sought clarification on three areas: i) significant judgments relating to the control of SGM; ii) the sensitivity analysis of estimates and disclosures; and iii) disclosure of APMs relating to free cash flow. A comprehensive reply was approved by the committee and sent to the FRC in December 2017 and as at the date of this report there has been no further correspondence. Certain of the matters raised by the FRC have been incorporated into the 2017 annual report, including sensitivity analysis of estimates and disclosures of APMs relating to free cash flow.

External auditor effectiveness

The committee undertook a review of the effectiveness of the external auditor at the half-year and annual statutory audit. This review compared the original audit plan against the delivery of the audit. The committee also reviewed the effectiveness of the audit by considering the efficiency and use of resources and the delivery and relevance of the reporting. The committee is pleased with the improvements to the annual report and response of the auditor to the accelerated timeframe.

As part of the evaluation, the committee completed a questionnaire which also took into account the views of the senior members of the finance team and the CFO. Following the evaluation process, any relevant findings were relayed to the audit partner and, where applicable, actions were incorporated into the audit plan.

AUDIT AREA	OBSERVATIONS BY THE COMMITTEE
Audit planning	With an accelerated timeframe, careful planning is essential to ensure delivery of a quality audit. The planning documents had sufficient detail and were presented to the committee in a timely manner. The audit plan was adhered to by the auditors and the opinion released as scheduled on 31 January 2018.
Leadership and communication	The committee notes that a new audit manager was introduced to the audit team this year and worked well with the team who welcomed a fresh and challenging approach.
Assessment of independence	There were no areas that conflicted PwC's independence. Please see below in relation to the audit partner.
Audit costs	While the audit process is still substantive based, with continued improvement in the internal control systems and the use of technology, the committee was pleased with the ability to meet the accelerated timetable and therefore able to spend more time on material judgments within the accounts. The committee noted that additional time and resource were allocated to deal with the increase in compliance and regulation. The committee was encouraged by the way the auditors shared information across the jurisdictions, to assist with subsidiary audits which included SGM. The combined and joined up nature of the audit team as well as the use of local Egyptian auditors in-country is also welcomed. The fees year on year have remained in line with expectations.
Internal controls and use of internal auditor	Now in the third year of internal audit, the committee will discuss with the external auditor the extent to which work undertaken by the internal auditor could provide further assurance on the internal control environment and additional support to the external auditor.

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.

The audit team visit Sukari regularly to carry out inventory as well as control and substantive testing. PwC carry 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 2017 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 in advance. Fees for audit services incurred during the year amounted to US$460k; there were non-audit services carried out by PwC during the year of US$196k. Full details are set out in note 24 to the financial statements. Our policy on non-audit services and auditor independence can be found on our website at www.centamin.com/investors/corporate-governance.

Change to audit partner

The committee notes that as a former PwC partner, having left PwC in 2016, PwC and Alison Baker are required to assess their independence given the potential familiarity risk. The current audit partner, Richard Spilsbury, and Alison had worked together on other clients (unrelated to Centamin) within the last two years at PwC and therefore Richard, for audit independence purposes, is a 'covered person' to Alison. Due to the requirement of a mandatory 'cooling off period' of two years, the current audit partner will be required to step down from the audit before Alison joins the board. Richard Spilsbury has served four of his possible five years as audit partner on the Centamin account and signed the audit opinion on the 2017 financial statements on 31 January 2018. With an appointment date for Alison of 5 February 2018, PwC have confirmed that they are not aware of any ongoing independence issues that impact the 2017 audit or any independence issues arising from the appointment of Alison Baker. Jonathan Lambert, PwC partner from 2011, with over 20 years' audit experience, will replace Richard Spilsbury following the 2017 audit.

The Company's policy is to tender the external audit every ten years. The last audit tender was undertaken in 2014 when PwC were appointed auditor. PwC have been auditor of the Company for four years.

Auditor objectivity and independence

The committee continues to monitor the auditor's objectivity and independence and is satisfied that PwC and the group have appropriate policies and procedures in place to ensure that these requirements are not compromised, as evidenced by the change in audit partner.

AUDIT AND RISK REPORT
continued

Internal auditor

BDO LLP, the group's externally appointed internal auditor, carried out a detailed review of Centamin's key financial processes, risk and inventory management and IT controls. The internal audit team spent time onsite at Sukari to carry out their review and provide their findings to the committee. The findings are summarised in the table below.

The level of assurance over the design and operational effectiveness was deemed 'substantial', meaning there is a sound system of internal control designed to achieve system objectives and the controls in place are being consistently applied.

The committee considers the effectiveness of the internal auditor by reviewing the actions against the original scoping document, any improvements in controls over systems or policies and the cost effectiveness of the actions and assurance review. As well as providing assurance over key areas identified in the scoping document, the committee assesses the performance of the internal auditor for areas of value add. In particular, where the audit review process provides recommendations to management to improve systems of controls and the implementation of those recommendations is monitored and reported back to the committee.

AREA AUDITED	WORK CARRIED OUT	FINDINGS
Procurement and contract management	Comprehensive review of the tendering, contract management and payment cycles with a focus on larger material contracts and the design of and adherence to the overall process at Sukari. The scope covered: • tendering and procurement; • contract management procedures; • testing of contract payments (focus on accuracy and pricing); and • cash management.	There were a total of nine medium and two low rated items reported. These related to updating site policies in line with current practices, consistent application of the policies and record keeping to demonstrate the application of the policies. Remedial action has been applied over these administrative and procedural aspects of procurement and contract management.
Key financial processing	A review of core financial processes was a follow-up audit following the recommendations raised in 2015. A review of controls within specified key financial processes covered the following: • financial close processes; and • gold book and sales cycle controls. This follows and builds upon the work carried out in 2015 on the core financial controls.	There were two medium level findings relating to controls over the workbook security and segregation of duties on input and approval. Procedures have been updated to remedy these findings.
Risk management reporting	A review of the risk management reporting was a follow-up audit following the recommendations raised in 2015.	The follow-up report noted the improvements that had been made in both internal and external reporting of principal risks at a corporate level and wider operational risks. An additional workshop, facilitated by the internal auditor, will be carried out on site to assist further with mapping risks across the business, assigning owners and communicating identified risk factors to the wider workforce.
Inventory management	The review of inventory management covered the following key areas: • stock levels; • stock replenishment; • stock classification; • stock security and reconciliation; and • management information.	There were one high, one medium and four low level findings. These related to the reliability of record keeping and controls, particularly over obsolete or damaged stock. The findings have supported the decision to improve the systems (both IT and procedural) which have been rolled out during 2017 and resulted in a reduction in stock holding values and a robust assessment of provisions stock obsolescence.
IT penetration testing	The penetration testing provided assurance over the security of Centamin's IT systems. This covered: • 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.	The testing commenced in 2017 and will be concluded in Q1 2018. To date, results have assisted the IT team to build additional layers of security, particularly over portable devices and at remote locations.

The committee will be working with BDO LLP and management to agree a scope of work for 2018.

The committee will monitor the auditor's progress this year and ensure they continue to have access to the required resources and information to complete their scope in 2018.

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.

Control environment

While the board has overall responsibility for ensuring the adequacy of internal controls, the board has delegated certain responsibilities to this committee. These include responsibility over monitoring the effectiveness and design of policies and internal control 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.

During the year, the committee reviewed the overall control environment, including specific financial controls and procedures. The review pulled heavily on the work of both the external and internal auditors and the work of management to enhance the policies and procedures and IT systems to improve the control environment.

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.

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.

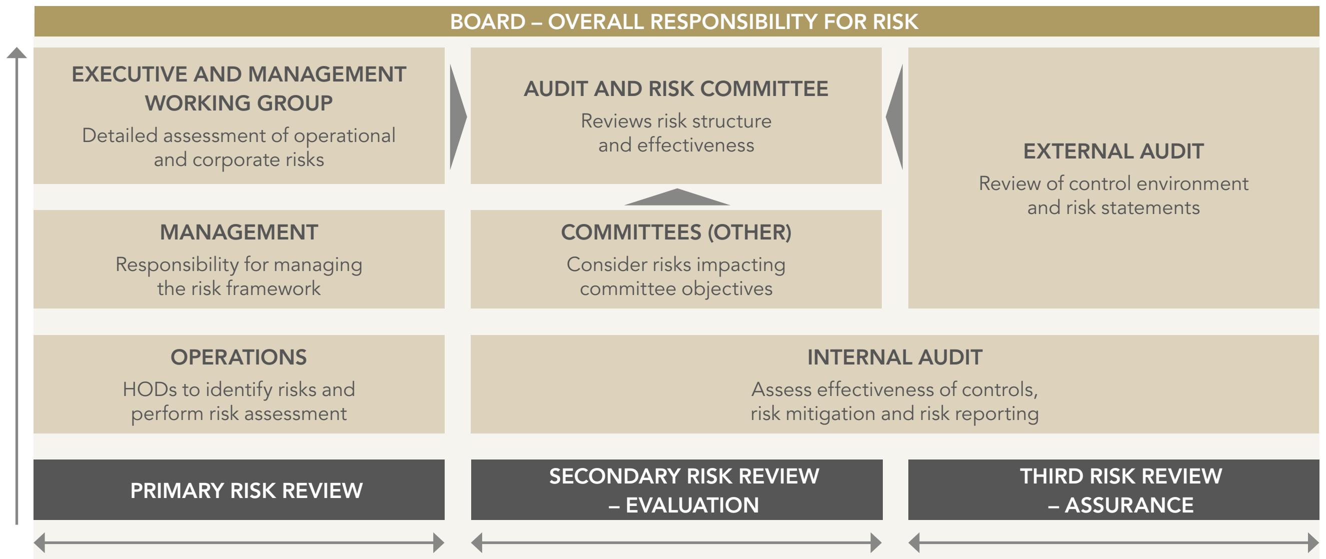
Full details of the risk management and control environment are set out in the strategic report. The risk management report concludes by identifying the principal risks for the business and the Company's statements on risk appetite and long term viability. The purpose of the risk management framework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

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.

AUDIT AND RISK REPORT
continued

Risk assessment continued

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



During the year, the audit and risk committee and the board evaluated their risk management processes and reporting. The evaluation pulled on the work of both the external and internal auditors and the management reports prepared in accordance with the risk management framework.

The assessment considered the principal risks and wider strategic, corporate, operational and environmental risks. The following reports were prepared for the audit and risk committee's review:

- monthly and quarterly reporting on the operational activity, including enhanced reporting on any significant operational and corporate issues;
- comprehensive control environment memorandum and recommendations for further improvement prepared by the management team;
- environmental risk assessments reported via the Carbon Development Project ("CDP");
- internal audit work;
- 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. Having considered the risks in detail, the principal risks have been identified and are set out on pages 34 to 37.

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.

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 Code and relevant Canadian requirements.

Targets in 2018

The committee considered the action plan for 2018 and the key milestones for the year. The areas of focus for 2018 include, but are not limited to, the following:

- continued focus on cost reduction and working capital management;
- continue to meet the financial and reporting obligations whilst meeting the accelerated timelines;
- review of regulatory compliance and impacts on the finance function, including cyber security and GDPR;
- approval of the SGM audited accounts for 2016/2017 and allocation of profit share;
- conclude on the matters raised by the FRC following their periodic review of the 2016 accounts;
- scope the internal audit function to ensure the tasks are aligned with the business needs;
- roll out of IT upgrades for stock and inventory;
- build and develop the finance function in West Africa in anticipation of developing a mine in the region; and
- develop the treasury function and identify opportunities to improve yields on deposits.

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.

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.

Conclusion

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 AGM 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
Chairman of the audit and risk committee

31 January 2018

Strategic report
Directors' report
Financial statements
Shareholder information

DIRECTORS' RESPONSIBILITIES

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

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union. Under company law the directors must not approve the group financial statements 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements and the directors' remuneration report comply with The Companies (Jersey) Law, 1991 and, as regards the group financial statements, Article 4 of the IAS Regulation.

The directors are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The directors consider that the annual report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the group's 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 137 and 138 and the risk management section on pages 34 to 37.

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 31 January 2018 and signed on their behalf by Andrew Pardey (CEO) and Ross Jerrard (CFO).

Each of the directors, whose names and functions are listed in the directors' report, confirm that, to the best of their knowledge:

- the group financial statements, which have been prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the group; and
- the strategic report includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal risks and uncertainties that it faces.

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the group's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board:

Andrew Pardey
Chief executive officer
31 January 2018

Ross Jerrard
Chief financial officer
31 January 2018

INDEPENDENT AUDITOR'S REPORT

to the members of Centamin plc

Report on the audit of the financial statements

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 2017 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

We have audited the financial statements, included within the Annual Report, which comprise: the consolidated statement of financial position as at 31 December 2017; the consolidated statement of comprehensive income, the consolidated statement of cash flows, and the consolidated statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

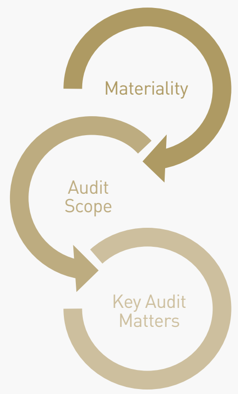
Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview

- Overall group materiality: $9.5 million (2016: $6.78 million), based on 5%of three- year average of profit before tax, after exceptional items, weighted on production.
- 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. One component and the parent entity 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 key audit matters was performed by the Group engagement team.



Key Audit Matters

- The appeal before the Supreme Administrative Court in Egypt concerning the validity of the Sukari Concession Agreement.
- The claim before the Administrative Court concerning diesel fuel disputes.
- Amounts due to government with respect to operating and exploration properties.
- Impairment of Exploration and Evaluation Assets in West Africa.
- Reserves and Resources Statement.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, 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 testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

INDEPENDENT AUDITOR'S REPORT CONTINUED

to the members of Centamin plc

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
The appeal before the Supreme Administrative Court in Egypt concerning the validity of the Sukari Concession Agreement Refer to page 172 (note 22 to the financial statements) and page 36 (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 site will be reduced to the area of 3km^2 determined by the Administrative Court of first instance. This may lead to the risk of material impairment of property, plant and equipment outside of the 3km^2 area as the tailings dam spans across this boundary and materially impacts Sukari operations. 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 advisors, 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 legal counsel by considering professional qualifications, fee arrangements and other relevant factors. These procedures satisfied us 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 agreed the disclosures in note 22 to the financial statements with the results of our audit work and determined that they were consistent with the requirements of IFRSs as adopted by the European Union.
The claim before the Administrative Court concerning diesel fuel disputes Refer to page 172 (note 22 to the financial statements) and page 36 (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 $274 million and the potential amount that the Group could have to pay if they lose the historical case is EGP403 million (approximately $22.7 million at the exchange rate as at 31 December 2017). 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. 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 22 to the financial statements. No contingent asset has been recognised.	We discussed the legal fuel subsidy cases with the Group's legal advisors, 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 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 also considered the sufficiency of the disclosure regarding the case and found that it was consistent with the requirements of IFRSs as adopted by the European Union and gave a balanced description of the case.
Amounts due to government with respect to operating and exploration properties Refer to page 160 (note 7 to the financial statements) and page 34 (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 judgement of the probable amount of the profit share liability. As at 31 December 2017 the Group has an expense of $112.6 million and a net payable of $5 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. We also considered the sufficiency of the disclosure regarding the case and found that it was consistent with the requirements of IFRSs as adopted by the European Union and gave a balanced description of the case.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Impairment of Exploration and Evaluation Assets in West Africa Refer to page 168 (note 14 to the financial statements) and page 36 (Principal risks). The Group has made substantial investment in its exploration program in West Africa in recent years. The capitalised amount is $140 million. An impairment decision would be likely to have a material impact on earnings in the period. As these projects are nearing a development decision there is an increased possibility of impairment triggers being present.	We examined management's impairment triggers assessment for Exploration and Evaluation assets in West Africa. We performed procedures to confirm that licences held by the Group remain valid. We have challenged management on their future plans for the West African region. We have corroborated these plans to future budgeted expenditure for the region. We have reviewed Board reports and minutes to confirm ongoing exploration activity continues pending decision in any future development plan. We performed procedures to identify whether any impairment triggers under the specific requirements of IFRS 6 had been identified in respect of exploration and evaluation. We did not identify any impairment triggers.
Reserves and resources statement Refer to page 157 (note 4 to the financial statements) and page 36 (Principal risks). Management have updated the reserves and resources statement as of 30 June 2017. The statement is the key source of information underpinning the key areas of the audit including the carrying value of the mining assets, accounting for mine development properties, the depreciation charge and the asset retirement obligations.	We reviewed the updated reserve and resource statements and performed extensive discussions with senior management and management's qualified external expert over the key assumptions applied. We assessed the objectivity and competence of management's expert who performed the supervision over the preparation of the statement. We have reviewed management's updated estimates of the carrying value of the mining assets, accounting for the mine development properties, the updated depreciation charge estimates and the asset requirement obligations. We agreed the disclosures in the notes 4 and 28 to the financial statements with the results of our audit work and determined that they were consistent with the requirements of IFRS as adopted by the European Union.

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 structure of the group, the accounting processes and controls, and the industry in which it operates.

Centamin plc is listed on the London Stock Exchange and the Toronto Stock Exchange. For compliance with Toronto Stock Exchange regulations and Canadian statutory requirements, the group produces separate financial statements. We provide a separate auditors' report on those financial statements.

The Group's principal operation is the Sukari Gold mine in Egypt. Production continues at high levels and this together with the positive impact on profitability of gold prices set the context for our audit in 2017. In addition to the operation of Sukari the Group continues its exploration programs in Burkina Faso and Côte d'Ivoire.

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 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 in aggregate on the financial statements as a whole.

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

Overall group materiality	$9.5 million (2016: $6.78 million).
How we determined it	5% of three- year average of profit before tax, after exceptional items, weighted on production.
Rationale for benchmark applied	We used the profit before tax after exceptional items (PBTAEI) benchmark and took a three-year weighted average based on production volumes since the large increase in production following the upgrade of the Sukari Plant. A three-year weighted average of PBTAEI also allows for volatility of gold price which is out of management's control. We chose PBTAEI as it is the key indicator of the financial performance of the group.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was $8.2 million to $3 million.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above $475,000 (2016: $338,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

INDEPENDENT AUDITOR'S REPORT CONTINUED

to the members of Centamin plc

Going concern

In accordance with ISAs (UK) we report as follows:

REPORTING OBLIGATION	OUTCOME
We are required to report if we have anything material to add or draw attention to in respect of the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the directors' identification of any material uncertainties to the group's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements.	We have nothing material to add or to draw attention to. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.
We are required to report if the directors' statement relating to Going Concern in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit.	We have nothing to report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) and the Listing Rules of the Financial Conduct Authority (FCA) require us also to report certain opinions and matters as described below (required by ISAs (UK) unless otherwise stated).

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

We have nothing material to add or draw attention to regarding:

- The directors' confirmation on page 140 of the Annual Report 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.
- The disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated.
- The directors' explanation on page 31 of the Annual Report 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 to report having performed a review of the directors' statement that they have carried out a robust assessment of the principal risks facing the group and statement 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 UK Corporate Governance Code (the "Code"); and considering whether the statements are consistent with the knowledge and understanding of the group and its environment obtained in the course of the audit. (Listing Rules)

Other Code Provisions

We have nothing to report in respect of our responsibility to report when:

- The statement given by the directors, on page 140, that they consider the Annual Report taken as a whole to be fair, balanced and understandable, and provides the information necessary for the members to assess the group's position and performance, business model and strategy is materially inconsistent with our knowledge of the group obtained in the course of performing our audit.
- The section of the Annual Report on page 131 describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.
- The directors' statement relating to the parent company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified, under the Listing Rules, for review by the auditors.

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 137 and 138, as well as page 84, with respect to internal control and risk management systems and about share capital structures is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 140, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

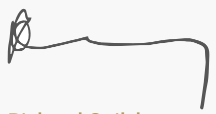
Use of this report

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.

Other required reporting

Companies (Jersey) Law 1991 exception reporting

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.



Richard Spilsbury
for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Recognised Auditors

London

31 January 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2017

	Notes	31 December 2017 US$'000	31 December 2016 US$'000
Revenue	5	**675,510**	687,387
Cost of sales	6	**(414,341)**	(389,276)
Gross profit		**261,169**	298,111
Other income		**680**	—
Other operating costs	6	**(36,927)**	(32,077)
Impairment of exploration and evaluation assets	14	**(3,557)**	(122)
Finance income	6	**2,729**	917
Profit for the year before tax		**224,094**	266,829
Tax	8	**(2,063)**	(821)
Profit for the year after tax		**222,031**	266,008
EMRA profit share	7	**(112,629)**	(51,253)
Profit for the year after EMRA profit share		**109,402**	214,755
Profit for the year attributable to:			
– the owners of the parent		**109,402**	214,755
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	**(91)**	45
Other comprehensive income for the year		**(91)**	45
Total comprehensive income attributable to:			
– the owners of the parent		**109,311**	214,800
Earnings per share before profit share:			
Basic (US cents per share)	26	**19.303**	23.170
Diluted (US cents per share)	26	**19.154**	23.054
Earnings per share after profit share:			
Basic (US cents per share)	26	**9.511**	18.705
Diluted (US cents per share)	26	**9.438**	18.612

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 2017

	Notes	31 December 2017 US$'000	31 December 2016 US$'000
Non-current assets			
Property, plant and equipment	13	**851,099**	868,926
Exploration and evaluation asset	14	**168,832**	153,918
Prepayments	12	**—**	295
Other receivables	10	**96**	81
Total non-current assets		**1,020,027**	1,023,220
Current assets			
Inventories	11	**105,210**	128,582
Available-for-sale financial assets	15	**125**	130
Trade and other receivables	10	**34,467**	24,870
Prepayments	12	**9,793**	7,508
Cash and cash equivalents	27	**359,680**	399,873
Total current assets		**509,275**	560,963
Total assets		**1,529,302**	1,584,183
Non-current liabilities			
Provisions	17	**10,961**	7,697
Total non-current liabilities		**10,961**	7,697
Current liabilities			
Trade and other payables	16	**56,585**	47,991
Tax liabilities	8	**469**	—
Provisions	17	**9,311**	3,976
Total current liabilities		**66,365**	51,967
Total liabilities		**77,326**	59,664
Net assets		**1,451,976**	1,524,519
Equity			
Issued capital	18	**668,732**	667,472
Share option reserve	19	**4,323**	3,048
Accumulated profits		**778,921**	853,999
Total equity attributable to:			
– owners of the parent		**1,451,976**	1,524,519
Total equity		**1,451,976**	1,524,519

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

The consolidated financial statements were approved by the board of directors on 31 January 2018 and signed on its behalf by:

Andrew Pardey
Chief executive officer
31 January 2018

Ross Jerrard
Chief financial officer
31 January 2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2017

	Issued capital US$'000	Share option reserve US$'000	Accumulated profits US$'000	Total equity US$'000
Balance as at 1 January 2017	**667,472**	**3,048**	**853,999**	**1,524,519**
Profit for the year after tax	—	—	**222,031**	**222,031**
EMRA profit share	—	—	**(112,629)**	**(112,629)**
Other comprehensive income for the year	—	—	**(91)**	**(91)**
Total comprehensive income for the year	—	—	**109,311**	**109,311**
Issue of shares	—	—	—	—
Transfer of share-based payments	**1,260**	**(1,260)**	—	—
Recognition of share-based payments	—	**2,535**	—	**2,535**
Dividend paid – shareholders	—	—	**(184,389)**	**(184,389)**
Balance as at 31 December 2017	**668,732**	**4,323**	**778,921**	**1,451,976**

	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 after tax	—	—	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 – shareholders	—	—	(46,073)	(46,073)
Balance as at 31 December 2016	667,472	3,048	853,999	1,524,519

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 2017

	Notes	31 December 2017 US$'000	31 December 2016 US$'000
Cash flows from operating activities			
Cash generated in operating activities	27(b)	**363,110**	374,811
Income tax refund received		**108**	—
Income tax paid		**(1,678)**	(7,599)
Finance income		**(2,729)**	(917)
Net cash generated by operating activities		**358,811**	366,295
Cash flows from investing activities			
Acquisition of property, plant and equipment		**(76,576)**	(57,204)
Exploration and evaluation expenditure		**(30,896)**	(49,487)
Finance income	6	**2,729**	917
Net cash used in investing activities		**(104,743)**	(105,774)
Cash flows from financing activities			
Dividend paid		**(184,389)**	(46,073)
EMRA profit share paid	7	**(111,629)**	(18,503)
Net cash used in financing activities		**(296,018)**	(64,576)
Net (decrease)/increase in cash and cash equivalents		**(41,950)**	195,945
Cash and cash equivalents at the beginning of the period		**399,873**	199,616
Effect of foreign exchange rate changes		**1,757**	4,312
Cash and cash equivalents at the end of the period	27	**359,680**	399,873

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 2017

1. General information

Centamin plc (the "Company") is a listed public company, incorporated and domiciled 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 or 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 has assessed the impact of IFRS 15 and determined that its application will result in no changes in its revenue recognition. 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 three measurement categories: those measured at fair value through profit and loss, those measured at fair value through other comprehensive income 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 impairment model, hedging rules and derecognition rules have also been amended under IFRS 9. The group believes there is no material impact of IFRS 9 on current results, had it been effective in the year ended 31 December 2017, 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. The group has considered the impact of IFRS 9 on the accounting for assets currently held as available-for-sale and determined it not be material. 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 most 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 leases will come on balance sheet on adoption of IFRS 16 and the impact is still being assessed. IFRS 16 will be applied for annual periods beginning on or after 1 January 2019 with the cumulative effect of initially applying the standard recognised at the date of initial application.

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 ("AUD"). 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 2017, 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 2017. 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 to 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. The changes included:

	Year ended 31 December 2017 US$'000	Year ended 31 December 2016 US$'000
Stock obsolescence provision reallocated to inventories(1)		
(Decrease) in inventory	**(5,136)**	(2,500)
Decrease in provisions	**5,136**	2,500
Prepayments reallocation(2)		
Increase in prepayments	**6,272**	5,480
(Decrease) in inventory	**(6,272)**	(5,480)

(1) Per IAS 2 'Inventories', it is required to show the provision for obsolete inventory within the inventory note as the inventory balance in the statement of financial position should be net of such a provision; as such this has been reclassified from provisions to inventory.
(2) Prepayments for items within the inventory balance were identified by management for which the risks and rewards of ownership had not passed, and as such these have been reclassified from inventory to prepayments.

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 Mine ("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 23) 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 2017 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 22, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 December 2017

3. Summary of significant accounting policies continued

Going concern continued

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

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.

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 as defined below.

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.

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.

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 when, and only when, the entity becomes a party to the contractual provisions of the instrument, 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's 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.

An entity shall derecognise a financial asset when, and only when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset by transferring its rights to the related cash flows.

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 28. 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 at 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.

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 most companies in 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 December 2017

3. Summary of significant accounting policies continued

Accounting policies continued

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors.

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.

Inventory comprises ore stockpiles, gold in circuit and finished goods which are valued by applying absorption costing methodology.

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 23).

Leased assets

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

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

Property, plant and equipment ("PPE")

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, net of any pre-production revenues.

Amortisation is first charged to new mine development ventures from the date of first commercial production. Amortisation of mine properties is on a unit of production basis resulting in an amortisation charge proportional to the depletion of the proved and probable ore reserves. The unit of production can be on a tonnes or an ounce depleted basis.

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

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 orebody) associated with the stripping activity will flow to the entity;
- the entity can identify the component of the orebody 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 orebody that becomes more accessible as a result of the stripping activity. The stripping activity asset is depreciated using a unit of production method based on the total ounces to be produced over the life of the component of the orebody.

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.

As at 31 December 2017, no stripping costs have been deferred.

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.

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.

Share-based payments

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 December 2017

3. Summary of significant accounting policies continued

Accounting policies continued

Share-based payments continued

Equity settled share-based transactions with other parties are measured at the fair value of the goods or services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The 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 20. 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 purchase 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.

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.

Ore reserves

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.

Mineral reserve and resource statement

The group published a mineral reserve and resource statement for the Sukari Gold Mine on 10 January 2018 with an effective date of 30 June 2017. The group reports its mineral resources and ore reserves in accordance with NI 43-101. The most current statement has used an assumed gold price of US$1,300 per ounce as a basis of preparation. The information on the mineral resources and ore reserves is prepared by qualified persons as defined by the instrument.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves. Assumptions that are valid at the time of estimation may change significantly when new information becomes available.

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 live 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 impairment 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.

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.

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 22 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 Concession Agreement under which Sukari operates, are given in note 22 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 of the national fuel subsidy, it is not currently possible to quantify with sufficient precision the impact of any restrictions placed on the terms of the group's operations under the Concession Agreement.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

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4. Critical accounting judgments continued

Critical judgments in applying the entity's accounting policies continued

Litigation continued

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.

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 12 months from 31 January 2018. Key assumptions underpinning this forecast include:

- litigation as discussed in note 22 to the financial statements;
- forecast gold price;
- production volumes; and
- costs and recovery rates.

These financial statements for the year ended 31 December 2017 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 Mine ("SGM")

SGM is consolidated within the Centamin group of companies, reflecting the substance and economic reality of the Concession Agreement (see note 23 to the financial statements). The IFRS 10 definition of control encompasses three distinct principles, which, if present, identify the existence of control by an investor over an investee, hence forming a parent-subsidiary relationship:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of the investor's returns.

An investor has power over an investee when the investor has existing rights that give it the current ability to direct the relevant activities (i.e. the activities that significantly affect the investee's returns). The following is a list of some of the relevant activities which the Company directs through Pharaoh Gold Mines NL (holder of an Egyptian branch) in relation to the operation of the Sukari Gold Mine:

- conducting exploration, development, production and marketing operations;
- co-ordinating SGM operations and activities, including its dealings with all contractors and subcontractors;
- bearing ultimate responsibility for all costs and expenses required in carrying out any and all operations under the CA;
- funding the operations of SGM and recovering costs and expenses throughout the life of the mine (i.e. exploration, development and production phases);
- funding additional exploration and expansion programmes during the production phase;
- preparing SGM's work programmes and budget covering the operations to be carried out throughout the life of the mine and approval of the same;
- approval of the annual budget;
- approval of expenditure and recharges;
- custody of SGM's stock and management of its funds;
- shipping, marketing and selling of all gold and associated metals produced;
- entering into and managing gold sales or hedging contracts and forward sale agreements; and
- appointment of the chairman of the board of directors.

The Company is therefore exposed to the variable returns, has the ability to affect the amount of those returns, has power over SGM through its ability to direct its relevant activities and therefore meets all the criteria to consolidate SGM's results within the Centamin group of companies to reflect the substance and economic reality of the Concession Agreement.

Other critical accounting judgments, estimates and assumptions are discussed in the following notes:

Gold price

The realised gold price has a direct impact on the group's post-tax profit for the year and cash generation. Please refer to market risk, note 28(c).

Fuel price

Diesel Fuel Oil is one of the single biggest individual costs for the operation. Any variation in the fuel price has a direct impact on the mine production costs. Please refer to market risk, note 28(d).

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. Please refer to market risk, note 28(j).

5. Revenue

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

	31 December 2017 US$'000	31 December 2016 US$'000
Gold sales (including pre-production gold sales related to Cleopatra)	**680,513**	686,306
Less: pre-production gold sales related to Cleopatra – transferred to exploration and evaluation asset	**(6,170)**	—
Gold sales (excluding pre-production gold sales related to Cleopatra)	**674,343**	686,306
Silver sales	**1,167**	1,081
	675,510	687,387

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

6. Profit before tax

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

	31 December 2017 US$'000	31 December 2016 US$'000
Finance income		
Interest received	**2,729**	917
Expenses		
Cost of sales		
Mine production costs (including costs related to gold produced from Cleopatra)	**(308,892)**	(288,317)
Mine production costs related to gold produced from Cleopatra – transferred to exploration and evaluation asset	**1,329**	—
Mine production costs	**(307,563)**	(288,317)
Movement in inventory	**(2,490)**	5,926
Depreciation and amortisation	**(104,288)**	(106,885)
	(414,341)	(389,276)

	31 December 2017 US$'000	31 December 2016 US$'000
Other operating costs		
Corporate compliance	**(1,281)**	(1,746)
Auditing fees	**(656)**	(641)
Corporate consultants	**(338)**	(370)
Communications and IT	**(188)**	(169)
Salaries and wages	**(6,202)**	(5,353)
Travel, accommodation and entertainment	**(731)**	(859)
Office rents and lease payment	**(166)**	(156)
Other administration expenses	**(193)**	(207)
Insurances	**(387)**	(225)
Other taxes	**(3)**	(1,400)
Employee equity settled share-based payments	**(2,535)**	(2,478)
Corporate costs (sub-total)	**(12,680)**	(13,604)
Impairment reversal	**—**	484
Other provisions	**(1,170)**	—
Provision for stock obsolescence	**(2,636)**	(2,500)
Office related depreciation	**(274)**	(87)
Fixed royalty – attributable to the Egyptian government	**(20,404)**	(20,575)
Foreign exchange gain/(loss), net	**1,470**	5,025
Finance charges	**(341)**	(239)
Loss on disposal of asset	**(263)**	—
Provision for restoration and rehabilitation – unwinding of discount	**(629)**	(581)
	(36,927)	(32,077)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 December 2017

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.

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 financial statements. The SGM financial statements for the year ended 30 June 2017 have not been signed off at the date of this report and are in the process of being audited.

Certain terms of the Concession Agreement and amounts in the cost recovery model may also vary depending on interpretation and management and the board making various judgments and estimates that can affect the amounts recognised in the financial statements.

a) Income statement and balance sheet impact

	31 December 2017 US$'000	31 December 2016 US$'000
Income statement		
EMRA profit share(1)	**(112,629)**	(51,253)
Balance sheet		
EMRA opening profit share accrual	**4,000**	—
EMRA accrual/(release)	**1,000**	4,000
EMRA closing profit share accrual	**5,000**	4,000

(1) Profit share commenced during the third quarter of 2016.

Any variation between payments made during the year (which are based on the Company's estimates) and the SGM 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.

b) Cash flow statement impact

	31 December 2017 US$'000	31 December 2016 US$'000
Cash flows		
EMRA cash payments during the year(1)	**111,629**	18,503

(1) Profit share commenced during the third quarter of 2016.

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. All profit share payments will be reconciled against SGM's audited June financial statements for current and future periods.

c) SGM cash flow statement extract

In order to reconcile the cash payments made during the period, the SGM cash flow statement is tabled below:

	31 December 2017 US$'000	31 December 2016 US$'000
Cash flows		
Cash available for profit share(1)	**279,073**	118,133
60% profit share to Pharaoh Gold Mines NL(2)	**(167,444)**	(70,880)
40% profit share to EMRA(3)	**(111,629)**	(47,253)
EMRA accrual	**1,000**	4,000

(1) After US$5,898 million was paid to Pharaoh Gold Mines NL as a cost recovery payment in 2017.
(2) 100% owned subsidiary of Centamin plc with a registered Egyptian branch, refer to note 23 Subsidiaries.
(3) Profit share commenced during the third quarter of 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 Egypt, Pharaoh Gold Mines NL 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, other than the fixed royalty attributable to the Egyptian government.

Relevance of tax consolidation to the consolidated entity

In Australia, Centamin Egypt Limited and Pharaoh Gold Mines NL, both wholly owned Australian resident entities within the group, have elected to form a tax-consolidated group from 1 July 2003 and therefore are treated as a single entity for Australian income tax purposes. The head entity within the tax-consolidated group is Centamin Egypt Limited. Pharaoh Gold Mines NL, which has a registered Egyptian branch, benefits from the 'branch profits exemption' whereby foreign branch income will generally not be subject to Australian income tax. Ampella Mining Limited is a single entity for Australian income tax purposes.

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.

Tax recognised in profit is summarised as follows:

Tax expense

	31 December 2017 US$'000	31 December 2016 US$'000
Current tax		
Current tax expense in respect of the current year	**(2,063)**	(821)
Deferred tax	**—**	—
Total tax expense	**(2,063)**	(821)

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

	31 December 2017 US$'000	31 December 2016 US$'000
Profit before income tax	**224,094**	266,829
Tax expense calculated at 0% (2016: 0%)(1) of profit before tax	**—**	—
Tax effect of amounts which are not deductible/taxable in calculating taxable income:		
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(2,063)**	(821)
Tax expense for the year	**(2,063)**	(821)

(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 (2016: 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 2017 US$'000	31 December 2016 US$'000
Current tax liabilities	**469**	—
Non-current tax liabilities	**23**	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

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9. Segment reporting

The group is engaged in the business of exploration and mining of precious metals, which represents three operating segments, two in the business of exploration and one in mining of precious metals. The board is the group's chief operating decision-maker within the meaning of IFRS 8. Management has determined the operating segments based on the information reviewed by the board for the purposes of allocating resources and assessing performance.

The board considers the business from a geographic perspective and a mining of precious metals versus exploration for precious metals perspective. Geographically, management considers the performance in Egypt, Burkina Faso, Côte d'Ivoire and Corporate (which includes Jersey, United Kingdom and Australia). From a mining of precious metals versus exploration for precious metals perspective, management separately considers the Egyptian mining of precious metals from the West African exploration for precious metals in these geographies. The Egyptian mining operations derive its revenue from sale of gold while the West African entities are currently only engaged in precious metal exploration and do not currently produce any revenue.

The board assesses the performance of the operating segments based on profits and expenditure incurred as well as exploration expenditure in each region. Egypt is the only operating segment mining precious metals and therefore has revenue and cost of sales whilst the remaining operating segments do not. All operating segments are reviewed by the board as presented and are key to the monitoring of ongoing performance and assessing plans of the Company, hence the change is disclosure from prior external reporting.

Non-current assets other than financial instruments by country:

	31 December 2017 US$'000	31 December 2016 US$'000
Egypt	878,509	898,423
Burkina Faso	68,589	62,232
Côte d'Ivoire	31,202	18,248
Corporate	41,727	44,317
	1,020,027	1,023,220

Statement of financial position by operating segment:

31 December 2017	US$'000 Total	US$'000 Egypt	US$'000 Burkina Faso	US$'000 Côte d'Ivoire	US$'000 Corporate
Statement of financial position					
Total assets	1,529,302	1,028,927	70,116	31,640	398,619
Total liabilities	(77,326)	(73,655)	(786)	(307)	(2,578)
Net assets/total equity	1,451,976	955,272	69,330	31,333	396,041

31 December 2016	US$'000 Total	US$'000 Egypt	US$'000 Burkina Faso	US$'000 Côte d'Ivoire	US$'000 Corporate
Statement of financial position					
Total assets	1,584,183	1,059,554	63,494	18,826	442,309
Total liabilities	(59,664)	(54,943)	(1,538)	(298)	(2,885)
Net assets/total equity	1,524,519	1,004,611	61,956	18,528	439,424

Statement of comprehensive income by operating segment:

31 December 2017	US$'000 Total	US$'000 Egypt	US$'000 Burkina Faso	US$'000 Côte d'Ivoire	US$'000 Corporate
Statement of comprehensive income					
Revenue	675,510	675,510	—	—	—
Cost of sales	(414,341)	(414,341)	—	—	—
Gross profit	261,169	261,169	—	—	—
Other income	680	23	—	—	657
Other operating costs	(36,927)	(25,483)	197	96	(11,737)
Impairment of exploration and evaluation assets	(3,557)	—	(35)	(972)	(2,550)
Finance income	2,729	41	—	—	2,688
Profit/(loss) for the year before tax	224,094	235,750	162	(876)	(10,942)
Tax	(2,063)	(513)	—	—	(1,550)
Profit/(loss) for the year after tax	222,031	235,237	162	(876)	(12,492)
EMRA profit share	(112,629)	(112,629)	—	—	—
Profit/(loss) for the year after EMRA profit share	109,402	122,608	162	(876)	(12,492)

31 December 2016	US$'000 Total	US$'000 Egypt	US$'000 Burkina Faso	US$'000 Côte d'Ivoire	US$'000 Corporate
Statement of comprehensive income					
Revenue	687,387	687,387	—	—	—
Cost of sales	(389,276)	(389,276)	—	—	—
Gross profit	298,111	298,111	—	—	—
Other income	—	—	—	—	—
Other operating costs	(32,077)	(21,032)	(549)	(170)	(10,326)
Impairment of exploration and evaluation assets	(122)	(37)	—	—	(85)
Finance income	917	72	—	—	845
Profit/(loss) for the year before tax	266,829	277,114	(549)	(170)	(9,566)
Tax	(821)	(43)	—	—	(778)
Profit/(loss) for the year after tax	266,008	277,071	(549)	(170)	(10,344)
EMRA profit share	(51,253)	(51,253)	—	—	—
Profit/(loss) for the year after EMRA profit share	214,755	225,818	(549)	(170)	(10,344)

Exploration expenditure by operating segment

The following table provides a breakdown of the total exploration expenditure of the group by operating segment:

	1 January to 31 December 2017 US$ million	1 January to 31 December 2016 US$ million
Burkina Faso	6.4	26.3
Côte d'Ivoire	13.9	12.7
Egypt (Sukari tenement including Cleopatra)	10.6	10.5
Total exploration expenditure	30.9	49.5

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10. Trade and other receivables

	31 December 2017 US$'000	31 December 2016 US$'000
Non-current		
Other receivables – deposits	**96**	81
	96	81

	31 December 2017 US$'000	31 December 2016 US$'000
Current		
Gold and silver sales debtors	**31,007**	23,009
Other receivables	**3,460**	1,861
	34,467	24,870

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 nor impaired.

The average age of the receivables is nine days (2016: nine 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 and silver 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 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.

11. Inventories

	31 December 2017 US$'000	31 December 2016 US$'000
Mining stockpiles and ore in circuit	**31,728**	34,217
Stores inventory(1)	**78,618**	96,865
Provision for obsolete stores inventory(2)	**(5,136)**	(2,500)
	105,210	128,582

(1) Prepayments for items within the inventory balance were identified by management for which the risks and rewards of ownership had not passed, and as such these have been reclassified from inventory to prepayments, refer to note 3.
(2) Per IAS 2 'Inventories', it is required to show the provision for obsolete inventory within the inventory note as the inventory balance in the statement of financial position should be net of such a provision, as such this has been reclassified from provisions to inventory, refer to note 3.

12. Prepayments

	31 December 2017 US$'000	31 December 2016 US$'000
Current		
Prepayments(1)	**7,545**	6,631
Fuel prepayments	**2,248**	877
	9,793	7,508

(1) Prepayments for items within the inventory balance were identified by management for which the risks and rewards of ownership had not passed, and as such these have been reclassified from inventory to prepayments, refer to note 3.

	31 December 2017 US$'000	31 December 2016 US$'000
Non-current		
Prepayments	**—**	295
	—	295

Movement in fuel prepayments

	31 December 2017 US$'000	31 December 2016 US$'000
Balance at the beginning of the year	**877**	3,169
Fuel prepayment recognised	**42,869**	23,014
Less: provision charged to:		
Mine production costs	**(39,030)**	(22,844)
Property, plant and equipment	**(2,761)**	(2,269)
Inventories	**292**	(193)
Balance at the end of the year	**2,247**	877

Cumulative fuel prepayment and provision recognised

	31 December 2017 US$'000	31 December 2016 US$'000
Fuel prepayment recognised	**274,088**	231,218
Less: provision charged to:		
Mine production costs	**(257,030)**	(218,000)
Property, plant and equipment	**(16,880)**	(14,120)
Inventories	**(1,098)**	(1,390)
Fuel advance down payment	**3,167**	3,169

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12. Prepayments continued

Diesel Fuel Oil ("DFO") dispute

As more fully described in note 22 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$274.1 million to 31 December 2017, of which US$42.9 million was provided for during 2017.

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$41.9 million in the profit and loss for the year.

	31 December 2017			31 December 2016		
	Before adjustment US$'000	**Adjustment US$'000**	**Total US$'000**	Before adjustment US$'000	Adjustment US$'000	Total US$'000
Expenses						
Cost of sales						
Mine production costs	**(268,533)**	**(39,030)**	**(307,563)**	(265,473)	(22,844)	(288,317)
Movement in inventory	**341**	**(2,831)**	**(2,490)**	7,710	(1,784)	5,926
Depreciation and amortisation	**(104,288)**	**—**	**(104,288)**	(106,885)	—	(106,885)
	(372,480)	**(41,861)**	**(414,341)**	(364,648)	(24,628)	(389,276)

The effect on earnings per share is shown below:

	31 December 2017			31 December 2016		
	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 (US cents per share)	**22.942**	**(3.639)**	**19.303**	25.315	(2.145)	23.170
Diluted (US cents per share)	**22.765**	**(3.611)**	**19.154**	25.188	(2.134)	23.054
Earnings per share after profit share:						
Basic (US cents per share)	**13.150**	**(3.639)**	**9.511**	20.850	(2.145)	18.705
Diluted (US cents per share)	**13.049**	**(3.611)**	**9.483**	20.746	(2.134)	18.612

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 2016	6,052	2,019	584,113	249,491	365,902	75,775	1,283,352
Additions	744	32	7,304	25,485	3,186	40,122	76,873
Increase in rehabilitation asset	—	—	—	—	2,542	—	2,542
Transfers from capital work in progress	—	—	—	—	77,899	(77,899)	—
Transfers from exploration and evaluation asset	—	—	—	—	7,584	—	7,584
Disposals	—	—	(316)	—	—	—	(316)
Balance at 31 December 2017	**6,796**	**2,051**	**591,101**	**274,976**	**457,113**	**37,998**	**1,370,035**
Accumulated depreciation							
Balance at 31 December 2016	(5,400)	(412)	(127,913)	(129,610)	(151,091)	—	(414,426)
Depreciation and amortisation	(490)	(136)	(29,060)	(34,292)	(40,584)	—	(104,562)
Disposals	—	—	52	—	—	—	52
Balance at 31 December 2017	**(5,890)**	**(548)**	**(156,921)**	**(163,902)**	**(191,675)**	**—**	**(518,936)**
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
Transfers	—	—	—	—	47,523	—	47,523
Disposals	(30)	—	(215)	(558)	—	—	(803)
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)
Net book value							
As at 31 December 2016	652	1,607	456,200	119,881	214,811	75,775	868,926
As at 31 December 2017	**906**	**1,503**	**434,180**	**111,074**	**265,438**	**37,998**	**851,099**

No impairment review was performed in 2016 or 2017 as no indicators of impairment were identified.

Assets that have been cost recovered under the terms of the Concession Agreement in Egypt are included on the statement of financial position under property, plant and equipment due to the Company having right of use of these assets. These rights will expire together with the Concession Agreement.

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14. Exploration and evaluation asset

	31 December 2017 US$'000	31 December 2016 US$'000
Balance at the beginning of the period	153,918	152,077
Expenditure for the period	30,896	49,487
Net pre-production gold sales related to Cleopatra	(4,841)	—
Transfer to property, plant and equipment	(7,584)	(47,524)
Impairment of exploration and evaluation asset	(3,557)	(122)
Balance at the end of the period	168,832	153,918

The exploration and evaluation asset relates to the drilling, geological exploration and sampling of potential ore reserves and can be attributed to Egypt (US$28.7 million), Burkina Faso (US$109.4 million, including items relating to the acquisition of Ampella Mining Limited) and Côte d'Ivoire (US$30.7 million). The impairment of exploration and evaluation assets relates to costs of permits that have expired and have not been renewed.

15. Available-for-sale financial assets

	31 December 2017 US$'000	31 December 2016 US$'000
Balance at the beginning of the period	130	163
Loss on foreign exchange movement	86	(78)
Gain on fair value of investment – other comprehensive income	(91)	45
Balance at the end of the period	125	130

The available-for-sale financial asset at period end relates to a 5.33% (2016: 5.33%) equity interest in Nyota Minerals Limited, a listed public company, as well as a 0.29% (2016: 0.53%) equity interest in KEFI Minerals plc ("KEFI"), 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 2017 US$'000	31 December 2016 US$'000
Trade payables	32,540	23,734
Other creditors and accruals	24,045	24,257
	56,585	47,991

Trade payables principally comprise the amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 29 days (2016: 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 2017 US$'000	31 December 2016 US$'000
Current(4)		
Employee benefits(1)	2,510	367
Fuel(2)	2,000	—
Customs, rebates and withholding tax	4,801	3,609
	9,311	3,976
Non-current		
Restoration and rehabilitation(3)	10,868	7,697
Other non-current provisions	93	—
	10,961	7,697
Movement in restoration and rehabilitation provision		
Balance at beginning of the year	7,697	7,139
Additional provision recognised/(provision derecognised)	2,542	(23)
Interest expense – unwinding of discount	629	581
Balance at end of the year	10,868	7,697

(1) Employee benefits relate to annual, sick and long service leave entitlements and bonuses.
(2) Fuel provision relates to a backdated fuel charge for Q4 2017.
(3) 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 8.01% (2016: 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 2017 has resulted in a US$2.542 million increase in the provision.
(4) Per IAS 2 'Inventories', it is required to show the provision for obsolete inventory within the inventory note as the inventory balance in the statement of financial position should be net of such a provision, as such this has been reclassified from provisions to inventory, refer to note 3.

18. Issued capital

	31 December 2017		31 December 2016	
	Number	US$'000	Number	US$'000
Fully paid ordinary shares				
Balance at beginning of the period	1,152,107,984	667,472	1,152,107,984	665,590
Cancellation of shares	—	—	—	(17)
Transfer from share option reserve	—	1,260	—	1,899
Balance at end of the period	1,152,107,984	668,732	1,152,107,984	667,472

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

At 31 December 2017, the trustee of the share plan held 939,716 ordinary shares (2016: 2,109,710 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 20 for more details of the share options.

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19. Share option reserve

	31 December 2017 US$'000	31 December 2016 US$'000
Share option reserve		
Balance at beginning of the period	**3,048**	2,469
Share-based payments expense	**3,156**	2,937
Transfer to accumulated profits	**(621)**	(459)
Transfer to issued capital	**(1,260)**	(1,899)
Balance at the end of the period	**4,323**	3,048

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. 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 2018 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 five tranches, as set out in 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, 3,015,000 awards remain granted to eligible participants (15 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, 4,254,000 awards remain granted to eligible participants (28 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.

June 2017 awards

Of the 3,459,000 awards granted on 4 June 2017 under the RSP, 3,459,000 awards remain granted to eligible participants (37 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 2016 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 2017** 4 June 2017
Number of instruments	3,459,000
TSR: fair value at grant date GBP[1]	1.16
TSR: fair value at grant date US$[1]	1.49
Reserve, EBITDA and gold production: fair value at grant date GBP[1]	1.54
Reserve, EBITDA and gold production: fair value at grant date US$[1]	1.97
Vesting period (years)	3
Expected volatility	45.68%
Expected dividend yield (%)	3.6%

(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.

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.

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20. Share-based payments continued

Deferred bonus share plan ("DBSP") continued

DBSP awards granted during the period:

Grant date	**DBSP 2017** 4 June 2017
Number of instruments	300,000
Share price/fair value at grant date Tranche 1 £[1]	1.66
Share price/fair value at grant date Tranche 1 US$[1]	2.13
Share price/fair value at grant date Tranche 2 £[1]	1.61
Share price/fair value at grant date Tranche 2 US$[1]	2.06
Share price/fair value at grant date Tranche 3 £[1]	1.54
Share price/fair value at grant date Tranche 3 US$[1]	1.97
Vesting period Tranche 1 (years)[2]	1
Vesting period Tranche 2 (years)[2]	2
Vesting period Tranche 3 (years)[2]	3
Expected dividend yield Tranche 1 (%)	3.67%
Expected dividend yield Tranche 2 (%)	3.40%
Expected dividend yield Tranche 3 (%)	3.73%

(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.

21. Commitments

The following is a summary of the Company's outstanding commitments as at 31 December 2017:

Operating lease commitments

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

	31 December 2017 US$'000	31 December 2016 US$'000
Office premises		
No longer than one year	**85**	56
Longer than one year and not longer than five years	**340**	47
Longer than five years	**297**	—
	722	103

Operating lease commitments are limited to office premises in Jersey.

22. Contingent liabilities and contingent assets

Contingent liabilities

Fuel supply

As set out in note 12 above, in January 2012, the group received a letter from Chevron to the effect that Chevron would only be able to supply DFO (Diesel Fuel Oil) to the mine at Sukari at international prices rather than 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 EGPC. It is further understood that EGPC itself issued this instruction because it had received legal advice from the Legal Advice Department of the Council of State (an internal government advisory department) that companies operating in the gold mining sector in Egypt were not entitled to such subsidies. In November 2012, the group received a further demand from Chevron for the repayment of fuel subsidies received during the period from late 2009 through to January 2012, for EGP403 million (approximately US$22.7 million at current exchange rates).

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

As at the date of this document, no decision had been taken by the courts regarding this matter. The group has received an unfavourable State Commissioner's report in the case; however, the report is non-binding and the group's legal advisers remain of the view that the group has a strong 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 action 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$274 million. Refer to note 12 of these financial statements for further details on the impact of this provision on the group's results for 31 December 2017.

No provision has been made in respect of the historic subsidies prior to January 2012 as, based on legal advice, the Company believes that, notwithstanding the unfavourable State Commissioner's report, 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 and Centamin's wholly owned subsidiary Pharaoh Gold Mines, and was approved by the People's Assembly as Law 222 of 1994.

In summary that judgment states that, although the Concession Agreement itself remains valid and in force, insufficient evidence had been submitted to court in order to demonstrate that the 160km² exploitation lease between PGM and EMRA had received approval from the relevant minister as required by the terms of the Concession Agreement. Accordingly, the Court found that the exploitation lease in respect of the area of 160km² was not valid although it stated that there was in existence such a lease in respect of an area of 3km². Centamin, however, is in possession of the executed original lease documentation which clearly shows that the 160km² exploitation lease was approved by the Minister of Petroleum and Mineral Resources. It appears that an executed original document was not supplied to the court in the first instance.

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 was underway.

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

The Supreme Administrative Court has stayed the Concession Agreement appeal until the Supreme Constitutional Court has ruled on the validity of Law no. 32 of 2014. Law no. 32 of 2014 restricts the capacity for third parties to challenge contractual agreements 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 ("SCC"). During Q2 2017, the SCC re-referred the case to the state commissioner to prepare a complementary report to an initial report provided by the state commissioner in Q1 2017 which found Law no. 32 to be unconstitutional. The state commissioner's report and complementary report are advisory and non-binding on the SCC. The Company continues to believe that it has a strong legal position and that in the event that the SCC rules that Law no. 32 is invalid, the group remains confident that its own appeal will be successful on the merits.

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

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

Contingent assets

There were no contingent assets at year end (31 December 2016: nil).

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23. Subsidiaries

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

	Country of incorporation	Ownership interest 31 December 2017 %	31 December 2016 %
Centamin Egypt Limited	Australia(2)	**100**	100
Pharaoh Gold Mines NL (holder of an Egyptian branch)	Australia(2)	**100**	100
Sukari Gold Mining Co	Egypt(4)	**50**	50
Viking Resources Limited (liquidated)	Australia(2)	**—**	100
North African Resources NL (liquidated)	Australia(2)	**—**	100
Centamin West Africa Holdings Limited	UK(3)	**100**	100
Sheba Exploration Limited (holder of an Ethiopia branch)	UK(3)	**100**	100
Sheba Exploration Holdings Limited(1)	UK(3)	**100**	100
Centamin Group Services Limited	Jersey(8)	**100**	100
Centamin Holdings Limited	Jersey(8)	**100**	100
Centamin Limited	Bermuda(7)	**100**	100
Ampella Mining Limited	Australia(2)	**100**	100
Ampella Share Plan Limited	Australia(2)	**100**	100
Ampella Mining Gold Pty Limited	Australia(2)	**100**	100
West African Gold Reserve Pty Limited	Australia(2)	**100**	100
Ampella Mining Gold SARL	Burkina Faso(5)	**100**	100
Ampella Mining SARL	Burkina Faso(5)	**100**	100
Ampella Mining Côte d'Ivoire	Côte d'Ivoire(6)	**100**	100
Centamin Côte d'Ivoire	Côte d'Ivoire(6)	**100**	100
Ampella Mining Exploration CDI	Côte d'Ivoire(6)	**100**	100
Centamin Exploration CI	Côte d'Ivoire(6)	**100**	100
Ampella Resources Burkina Faso	Burkina Faso(5)	**100**	100
Konkera SA	Burkina Faso(5)	**90**	90

(1) Previously Sheba Exploration (UK) Plc.
(2) Address of all Australian entities: 57 Kishorn Road, Mount Pleasant, WA 6153.
(3) Address of all UK entities: Hill House, 1 Little New Street, London, EC4A 3TR.
(4) Address of all Egypt entities: 361 El-Horreya Road, Sedi Gaber, Alexandria, Egypt.
(5) Address of all Burkina Faso entities:
Ampella Resources Burkina Faso: 11 BP 1974 Ouaga 11.
Ampella Mining SARL: 01 BP 1621 Ouaga 01.
Ampella Mining Gold SARL: 11 BP 1974 CMS 11 Ouaga 11.
Konkera SA: 11 BP 1974 Ouaga CM11.
(6) Address of all Côte d'Ivoire entities: 20 BP 945 Abidjan 20.
(7) Address of Bermuda entity: Appleby Corporate Services (Bermuda) Ltd, Canon's Court, 22 Victoria Street, Hamilton HM EX, Bermuda.
(8) Address of all Jersey entities: 2 Mulcaster Street, St Helier, Jersey JE2 3NJ.

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 subcontractors are entitled to import machinery, equipment and consumable items under the "Temporary Release System" which provided exemption from Egyptian customs duty; and
- legal title of all operating assets of PGM will pass to EMRA when cost recovery is completed. The right of use of all fixed and movable assets remains with PGM and SGM.

24. Auditor's remuneration

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

	31 December 2017 US$'000	31 December 2016 US$'000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	**374**	386
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	**86**	94
Total audit fees	**460**	490
Non-audit fees:		
Audit related assurance services – interim review	**107**	109
Other assurance services	**52**	15
Risk management and advisory services	**13**	—
Other services	**24**	27
Total non-audit fees	**196**	151

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.

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25. Joint arrangements

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

Name of joint operation	Percentage interest 31 December 2017 %	31 December 2016 %
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.

26. Earnings per share ("EPS")

	31 December 2017 US cents per share	31 December 2016 US cents per share
Basic earnings per share[(1)]	**19.303**	23.170
Diluted earnings per share[(1)]	**19.154**	23.054
Basic earnings per share[(2)]	**9.511**	18.705
Diluted earnings per share[(2)]	**9.438**	18.612

(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 2017 US$'000	31 December 2016 US$'000
Earnings used in the calculation of basic EPS[(1)]	**222,031**	266,008
Earnings used in the calculation of basic EPS[(2)]	**109,402**	214,755

(1) Before profit share.
(2) After profit share.

	31 December 2017 Number	31 December 2016 Number
Weighted average number of ordinary shares for the purpose of basic EPS	**1,150,221,295**	1,148,092,347

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 2017 US$'000	31 December 2016 US$'000
Earnings used in the calculation of diluted EPS[(1)]	**222,031**	266,008
Earnings used in the calculation of diluted EPS[(2)]	**109,402**	214,755

(1) Before profit share.
(2) After profit share.

	31 December 2017 Number	31 December 2016 Number
Weighted average number of ordinary shares for the purpose of basic EPS	**1,150,221,295**	1,148,092,347
Shares deemed to be issued for no consideration in respect of employee options	**8,993,379**	5,755,404
Weighted average number of ordinary shares used in the calculation of diluted EPS	**1,159,214,674**	1,153,847,751

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

27. 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 2017 US$'000	31 December 2016 US$'000
Cash and cash equivalents	**359,680**	399,873

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

	31 December 2017 US$'000	31 December 2016 US$'000
Profit for the year before tax	**224,094**	266,829
Add/(less) non-cash items:		
Depreciation/amortisation of property, plant and equipment	**104,562**	106,973
Inventory obsolescence provision	**2,636**	2,500
Foreign exchange (gain)	**(1,757)**	(4,312)
Impairment (reversal of)/loss on available-for-sale financial assets	**(91)**	45
Loss on disposal of property, plant and equipment	**263**	—
Impairment of exploration and evaluation assets	**3,557**	122
Share-based payments expense	**2,535**	2,478
Changes in working capital during the period:		
(Increase) in trade and other receivables	**(9,596)**	(1,085)
Decrease in inventories	**20,736**	3,693
Increase in prepayments	**(2,286)**	(3,474)
Decrease/(increase) in trade and other payables	**9,859**	(1,838)
Increase in provisions	**8,598**	2,880
Cash flows generated from operating activities	**363,110**	374,811

(c) Non-cash financing and investing activities

During the year there have been no non-cash financing and investing activities.

28. 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 2017 US$'000	31 December 2016 US$'000
Financial assets		
Available-for-sale assets	**125**	130
Cash and cash equivalents	**359,680**	399,873
Trade and other receivables	**33,745**	24,337
	393,550	424,340
Financial liabilities		
Trade and other payables	**56,585**	47,991

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 December 2017

28. 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 and risk committee. The group's principal financial instruments comprise interest bearing cash and cash equivalents. Other financial instruments include trade receivables and trade payables, which arise directly from operations.

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

(c) Market risk

The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Australian dollar, Great British pound and Egyptian pound. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the entity's functional currency. The risk is measured by regularly monitoring, forecasting and performing sensitivity analyses on the group's financial position.

Financial instruments denominated in Great British pounds, Australian dollars and Egyptian pounds are as follows:

	Great British pound		Australian dollar		Egyptian pound	
	31 December 2017 US$'000	31 December 2016 US$'000	**31 December 2017 US$'000**	31 December 2016 US$'000	**31 December 2017 US$'000**	31 December 2016 US$'000
Financial assets						
Cash and cash equivalents	**193**	1,303	**1,493**	4,114	**488**	705
Available-for-sale assets	**110**	113	**15**	17	**—**	—
	303	1,416	**1,508**	4,131	**488**	705
Financial liabilities						
Trade and other payables	**79**	391	**4,569**	628	**2,259**	7,780
	79	391	**4,569**	628	**2,259**	7,780
Net exposure	**224**	1,025	**(3,061)**	3,503	**(1,771)**	(7,075)

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 2017 US$'000	31 December 2016 US$'000	**31 December 2017 US$'000**	31 December 2016 US$'000
US$/GBP increase by 10%	**(18)**	(81)	**(10)**	(10)
US$/GBP decrease by 10%	**18**	81	**10**	10
US$/AUD increase by 10%	**(136)**	(314)	**(2)**	(2)
US$/AUD decrease by 10%	**136**	314	**2**	2
US$/EGP increase by 10%	**(44)**	639	**—**	—
US$/EGP decrease by 10%	**44**	(639)	**—**	—

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$63,530) and West African franc (US$452,530), and net payables of US$2,259,367 in euro and US$865,760 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 and fuel prices. The group has not entered into forward gold hedging contracts.

Gold price

The table below summarises the impact of increases/decreases of the average realised gold price on the group's post-tax profit for the year. The analysis is based on the assumption that the average realised gold price per ounce had increased/decreased by 10% with all other variables held constant.

	Decrease by 10%	**31 December 2017**	Increase by 10%
	US$/oz	**US$/oz**	US$/oz
Average realised gold price	1,135	**1,261**	1,387
	US$'000	**US$'000**	US$'000
Profit after tax	156,145	**222,031**	288,075

Fuel price

Any variation in the fuel price has an impact on the mine production costs. The analysis is based on the assumption that the average fuel price had increased/decreased by a few US cents per litre with all other variables held constant.

	Decrease by 10%	**31 December 2017**	Increase by 10%
	US$/litre	**US$/litre**	US$/litre
Fuel price	0.40	**0.46**	0.50
	US$'000	**US$'000**	US$'000
Increase/(decrease) in mine production costs	(8,933)	**—**	5,955
Profit after tax	230,964	**222,031**	216,076

(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 2017					
Financial assets					
Variable interest rate instruments	**0.52**	**179,360**	**175,860**	**—**	**355,220**
Non-interest bearing	**—**	**38,330**	**—**	**—**	**38,330**
		217,690	**175,860**	**—**	**393,550**
Financial liabilities					
Non-interest bearing	**—**	**56,585**	**—**	**—**	**56,585**
		56,585	**—**	**—**	**56,585**
31 December 2016					
Financial assets					
Variable interest rate instruments	0.24	200,330	200,223	—	400,553
Non-interest bearing	—	23,788	—	—	23,788
		224,118	200,223	—	424,341
Financial liabilities					
Non-interest bearing	—	47,991	—	—	47,991
Non-interest bearing	—	47,991	—	—	47,991

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 December 2017

28. Financial instruments continued

(f) Liquidity risk

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

Ultimate responsibility for liquidity risk management rests with the board, which 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 in section (a) to (c) of note 28 reflect a balanced view of cash inflows and outflows and show 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's liquidity position including cash flow forecasts to determine the forecast liquidity position and maintain appropriate liquidity levels.

	Less than one month US$'000	One to twelve months US$'000	More than twelve months US$'000	Total US$'000
31 December 2017				
Financial assets				
Variable interest rate instruments	**179,360**	**175,860**	**—**	**355,220**
Non-interest bearing	**38,330**	**—**	**—**	**38,330**
	217,690	**175,860**	**—**	**393,550**
Financial liabilities				
Non-interest bearing	**56,585**	**—**	**—**	**56,585**
	56,585	**—**	**—**	**56,585**
31 December 2016				
Financial assets				
Variable interest rate instruments	200,330	200,223	—	400,553
Non-interest bearing	23,788	—	—	23,788
	224,118	200,223	—	424,341
Financial liabilities				
Non-interest bearing	47,991	—	—	47,991
	47,991	—	—	47,991

(g) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The group measures credit risk on a fair value basis. The group's credit risk is concentrated on one entity, the refiner Asahi, but the group has good credit checks on customers and none of the trade receivables from the customers has been past due. Also, the cash balances held in Australian dollars are held with a financial institution with a high credit rating.

The gross carrying amount of financial assets recorded in the financial statements represents the group's maximum exposure to credit risk without taking account of the value of collateral or other security obtained.

(h) Fair value

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

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

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

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

	2017			
	Level 1	**Level 2**	**Level 3**	**Total**
Available-for-sale financial assets	**125**	**—**	**—**	**125**

	2016			
	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets	130	—	—	130

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

(j) Ore reserves

Production forecasts from the underground mine at Sukari are partly based on estimates regarding future mineral reserve and resource 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.

The following disclosure provides information to help users of the financial statements understand the judgments made about the future and other sources of estimation uncertainty. The key sources of estimation uncertainty described in note 4 and the range of possible outcomes are described more fully below.

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. The analysis is based on the assumption that the reserve estimate has increased/decreased by 10% with all other variables held constant.

	Decrease by 10%	**31 December 2017**	Increase by 10%
	US$'000	**US$'000**	US$'000
Amortisation of rehabilitation asset (within mine development properties)	(367)	**(342)**	(321)
Amortisation of mine development properties (remainder)	(42,035)	**(40,242)**	(38,749)
Mine development properties – net book value	263,619	**265,437**	266,951
Property, plant and equipment – net book value	849,281	**851,099**	852,613

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 December 2017

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 2017 US$	31 December 2016 US$
Short term employee benefits	6,919,135	5,846,954
Long term employee benefits	—	—
Post-employment benefits	8,037	7,764
Share-based payments	2,174,475	2,301,743
	9,101,647	8,156,461

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 23.

Equity interests in associates and jointly controlled arrangements

Details of interests in joint ventures are disclosed in note 25.

(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 2017 are as follows:

31 December 2017	Balance at 1 January 2017	Granted as remuneration ("DBSP")	Granted as remuneration ("RSP")	Net other change(1)	Balance at 31 December 2017
J El-Raghy(2)	53,849,372	—	—	(43,349,372)	10,500,000
A Pardey	2,692,601	—	440,000	(33,333)	3,099,268
T Schultz	30,000	—	—	2,600	32,600
G Haslam	102,056	—	—	—	102,056
M Arnesen	49,000	—	—	—	49,000
M Bankes	150,000	—	—	—	150,000
R Jerrard	875,000	—	420,000	—	1,295,000
Y El-Raghy	869,530	—	72,000	(262,777)	678,753
C Boreham	1,182,977	—	209,000	(66,666)	1,325,311
J Stephens	—	300,000	329,000	—	629,000
N Bailie	—	—	166,000	—	166,000
M Smith	670,000	—	166,000	(133,333)	702,667
D Le Masurier	540,000	—	107,000	(100,000)	547,000
H Brown	460,000	—	56,000	(200,000)	316,000

(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 2017 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 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
C Boreham	1,039,644	—	210,000	(66,667)	1,182,977
M Smith	—	400,000	270,000	—	670,000
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.

(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 transactions for the year ended 31 December 2017 are summarised below:

- Salaries, superannuation contributions, bonuses, LTIs, consulting and directors' fees paid to directors during the year ended 31 December 2017 amounted to US$4,001,383 (31 December 2016: US$3,754,145).
- 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 AU$70,564 or US$54,269 (31 December 2016: AU$69,600 or US$51,710).

(f) Transactions with the government of Egypt

Royalty costs attributable to the government of Egypt of US$20,404,473 (2016: US$20,574,673) were incurred in 2017.

Profit share to EMRA of US$112,629,332 (2016: US$51,253,333) was incurred in 2017.

(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 (to a maximum value of EGP50 million). In return, SGM facilitates the purchase of refined gold bullion for the CBE from SGM's refiner, Asahi Refining. 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). Two transactions have been entered into at the date of this report, pursuant to this agreement, and the values related thereto are as follows:

	31 December 2017 US$	31 December 2016 US$
Gold purchased	5,619,063	—
Refining costs	3,303	—
Freight costs	8,500	—
	5,630,866	—

At 31 December 2017 the net payable in EGP owing to the Central Bank of Egypt is approximately the equivalent of US$43,660.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued
for the year ended 31 December 2017

30. Related party transactions continued
(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 the consolidated financial statements of the group.

31. Dividends per share
The dividends paid in 2017 were US$184,388,830 and are reflected in the consolidated statement of changes in equity for the period (2016: US$46,072,599).

A final dividend in respect of the year ended 31 December 2017 of 10.0 US cents per share, totalling approximately US$115.2 million has been proposed by the board of directors and is subject to shareholder approval at the annual general meeting on 26 March 2018. These financial statements do not reflect this dividend payable.

As announced on 9 January 2017, the update to 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.

32. Subsequent events
As referred to in note 31, subsequent to the year end, the board proposed a final dividend for 2017 of 10.0 US cents per share. Subject to shareholder approval at the annual general meeting on 26 March 2018, the final dividend will be paid on 6 April 2018 to shareholders on the record date of 23 March 2018.

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 23 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 re-appointed during that meeting. Each appointed director shall retire from office at each annual general meeting and may, if willing to act, be re-appointed.

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 the 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 2017 and those held by trustees pursuant to the Company's share plans.

	As at 31 December 2017
Issued capital (including shares issued and held under the DBSP)	1,152,107,984
Total shares in issue under the DBSP	939,716

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.

The Company was authorised by shareholders at the 2017 AGM to purchase in the market up to 5% of the Company's issued shares, as permitted under the Company's Articles. No shares were bought back under this authority during the year ended 31 December 2017. This standard authority is renewable annually and the directors will seek to renew this authority at the 2018 AGM. This resolution shall expire on 30 June 2018.

COMPANY LEGAL FORM AND STRUCTURE
continued

Substantial shareholders

Based on shareholder disclosures and register analysis, the following shareholders had holdings of more than 3% (being the applicable threshold adopted by Centamin in its Articles of Association, as though it were a UK issuer under the Disclosure Guidance and Transparency Rules of the UK Financial Conduct Authority ("DTRs"), in the issued share capital of Centamin in compliance with LR 9.8.6 (2):

Name	Shareholding	% holding
BlackRock Inc.	183,442,125	15.92
VanEck Inc.	126,783,792	11.00
Dimensional Fund Advisors	57,289,080	4.97
Standard Life Aberdeen	44,731,410	3.88
Government of Norway	35,704,283	3.10

Note to table:
Information at 29 December 2017 based on registry analysis and information received by the Company from holders of notifiable interests and includes details of notifications received by the Company pursuant to DTR 5 between the year end and the date of this report.

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. 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 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."

The following dividends have been declared in respect to the financial year ended 31 December 2017:

2017 interim dividend

An interim dividend of 2.5 US cents per share on Centamin plc ordinary shares (totalling approximately US$28.8 million) was declared on 3 August 2017. The interim dividend for the half-year period ending 30 June 2017 was paid on 29 September 2017 to shareholders on the register on the record date of 1 September 2017.

2017 final dividend

A final dividend of 10 US cents per share on Centamin plc ordinary shares (totalling approximately US$115 million) was proposed by the directors on 31 January 2018. The final dividend for the financial year ended 31 December 2017 will be paid on 6 April 2018 to shareholders on the register on the record date of 23 March 2018, subject to approval at the AGM on 26 March 2018. The ex-dividend date is 22 March 2018 for LSE and TSX listed shareholders.

Summary table of dividends declared by Centamin plc

	2017	2016	2015
Interim	**Declared on:** 3 August 2017 **Amount:** 2.5 US cents per share **Paid on:** 29 September 2017 **Total:** approximately US$28.8 million	**Declared on:** 10 August 2016 **Amount:** 2 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
Final	**Proposed on:** 31 January 2018 **Declared date:** 26 March 2018 **Amount:** 10 US cents per share **To be paid on:** 6 April 2018 **Total:** approximately US$115 million	**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

AGM

All shareholders are encouraged to attend our AGM on 26 March 2018, which will be held in Jersey. This will be an excellent opportunity to meet members of the team.

Indicative financial calendar

26 March 2018	Annual general meeting to be held in Jersey
9 April 2018	Q1 2017 preliminary production results
3 May 2018	Results for the quarter ended 31 March 2018
9 July 2018	Q2 2016 preliminary production results
2 August 2018	Results for the quarter ended 30 June 2018
8 October 2018	Q3 2016 preliminary production results
1 November 2018	Results for the quarter ended 30 September 2018

Company details

Centamin plc (LSE:CEY, TSX:CEE)
ISIN: JE00B5TT1872
LEI: 213800PDI9G7OUKLPV84
Company number: 109180

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GLOSSARY

AFS
available-for-sale financial assets

AIF
Annual Information Form

AIFR
all incident frequency rate

AISC
all-in sustaining costs

APMs
alternative performance measures

ARE
Arab Republic of Egypt

assay
qualitative analysis of ore to determine its components

Au
chemical symbol for the element gold

board
the board of directors of the group

CA
Concession Agreement

CBE
Central Bank of Egypt

CDP
carbon development project

CEO
chief executive officer

CFO
chief financial officer

Code
the 2016 version of the UK Corporate Governance Code published by the FRC

DBSP
deferred bonus share plan

DFO
Diesel Fuel Oil

directors
the directors of the board of Centamin plc

DRR
directors' remuneration report

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

EGPC
The Egyptian General Petroleum Corporation

ELFSP
employee loan funded share plan

EMRA
Egyptian Mineral Resource Authority

EOS
employee option scheme

EPS
earnings per share

ESIA
environmental social impact assessment

FCA
Financial Conduct Authority

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 value through profit or loss

GAIP
gradient array induced polarisation

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

GRI
Global Reporting Initiative

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

LTI
lost time 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

MTI
medical treatment injury

MTIFR
medical treatment injury frequency

Mtpa
million tonnes per annum

NCI
non-controlling interest

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

orebody
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

PSP
performance share plan (formerly the restricted share plan)

R&R
resources and reserves

ROM
run of mine

RSP
restricted share plan

SEDAR
system for electronic document analysis and retrieval

SGM
Sukari Gold Mine

SID
senior independent non-executive director

TSF
tailings storage facility

TSR
total shareholder return

VAT
value added tax

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.

Qualified person and quality control

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.

Investors should be aware that the reserve and resource estimate dated 30 June 2017, and announced on 10 January 2018, does not constitute a material change on the prior reserve and resource estimate and an updated NI 43-101 resource and reserve report was not required to be prepared.

Information of a scientific or technical nature in this document was prepared under the supervision of Quinton De Klerk of Cube Consulting Pty Ltd, Australia, a qualified person under the Canadian National Instrument 43-101.

The total mineral resource was prepared by Norman Bailie of Centamin plc. The open pit mineral reserve and underground mineral reserve were prepared by Quinton De Klerk of Cube Consulting Pty Ltd, Australia. The underground mineral resource was prepared by Mark Zammit of Cube Consulting Pty Ltd, Australia. Mr Bailie, Mr Zammit and Mr De Klerk are Qualified Persons under the Canadian National Instrument 43-101.

Such qualified persons have verified the data disclosed, including sampling, analytical, and test data underlying the information or opinions contained in this announcement in accordance with standards appropriate to their qualifications.

Cautionary note regarding forward-looking statements

There are risks associated with an investment in the shares of Centamin. Recipients of this presentation should review the risk factors and other disclosures regarding Centamin contained in the preliminary prospectus and subsequent annual reports and Management Discussion and Analysis reports of Centamin that have been filed with Canadian securities regulators and are available at www.sedar.com.

This announcement contains "forward-looking information" (or "forward-looking statements") which may include, but are not limited to, statements with respect to the future financial or operating performance of the Company, its subsidiaries and its projects (including the Sukari Gold Mine), the future price of gold, the estimation of mineral reserves and resources, the realisation of mineral reserve estimates, the timing and amount of estimated future production, revenues, margins, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of construction, costs and timing of future exploration, the timing for delivery of plant and equipment, requirements for additional capital, foreign exchange risk, government regulation of mining and exploration operations, environmental risks, reclamation expenses, title disputes or claims, insurance coverage and the timing and possible outcome of pending litigation and regulatory matters. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "hopes", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking information involves and is subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities and feasibility studies; assumptions in economic evaluations which prove to be inaccurate; fluctuations in the value of the United States dollar and the Canadian dollar relative to each other, to the Australian dollar and to other local currencies in the jurisdictions in which the Company operates; changes in project parameters as plans continue to be refined; future prices of gold and other metals; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes or slow downs and other risks of the mining industry; climatic conditions; political instability, insurrection or war; arbitrary decisions by governmental authorities; delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Discovery of archaeological ruins of historical value could lead to uncertain delays in the development of the mine at Sukari.

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 information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking information contained herein is made as of the date of this announcement and the Company disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking information or statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information or statements. Accordingly, readers should not place undue reliance on forward-looking statements.

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