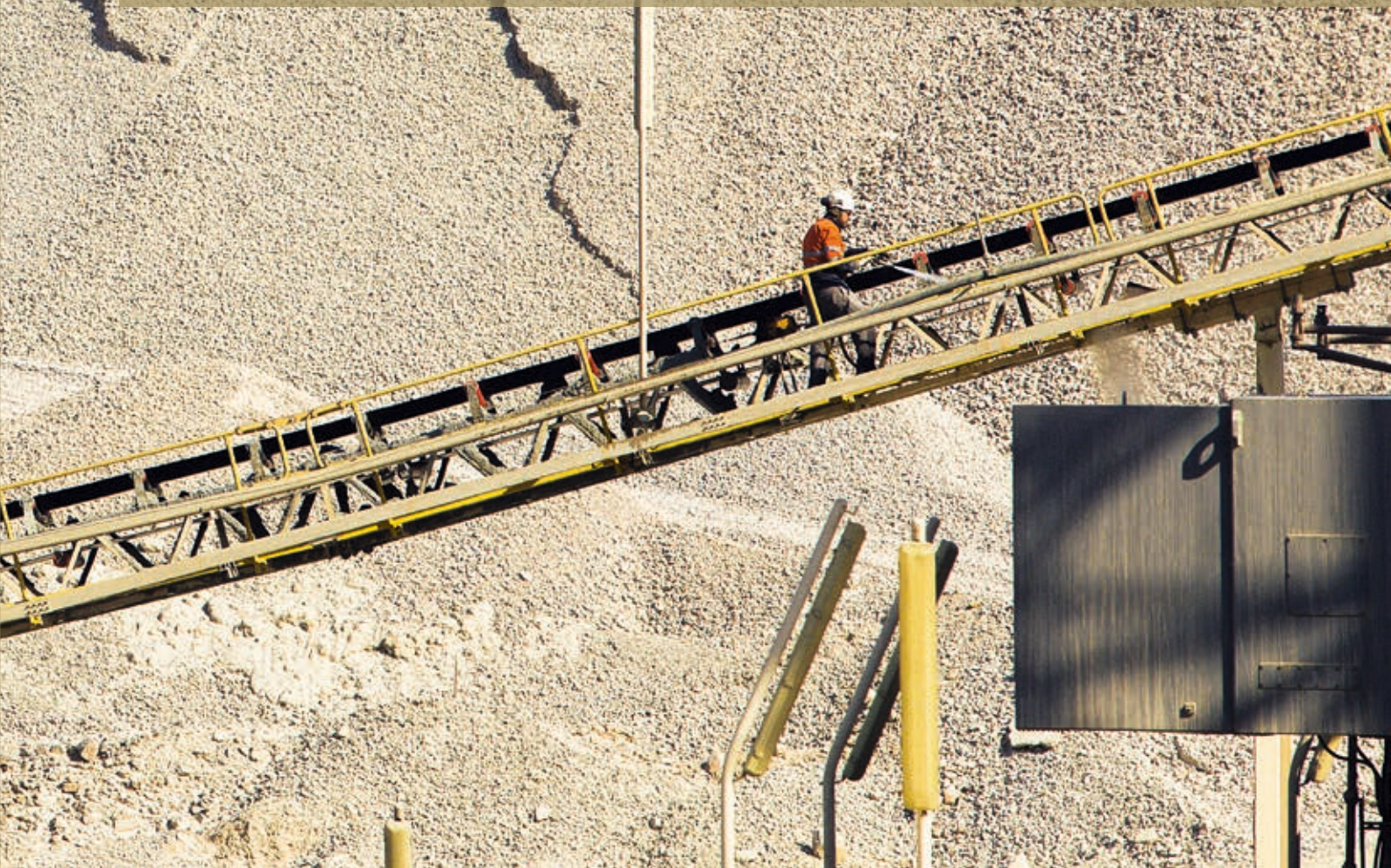




CENTAMIN

CLEAR STRATEGY
MATERIAL UPSIDE
STAKEHOLDER RETURNS

Annual report 2018



Centamin plc is Egypt's largest gold producer and a leading independent African explorer, developer and miner. The Company has a premium listing on both the London Stock Exchange and the Toronto Stock Exchange and is a constituent of the FTSE250.

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Front cover image shows ore stockpile at Sukari.

About this report

Centamin aims to produce a clear, open and transparent annual report which gives an accurate portrayal of our strategy and performance. We strive to improve our reporting year-on-year and welcome stakeholder feedback on how we are doing. Please give us your feedback: ir@centamin.com

For further information about Centamin, please visit our website at www.centamin.com

At a glance

We recognise our responsibility to not only deliver operational and financial performance but to create lasting mutual benefits for our stakeholders through good corporate citizenship.

Operational challenges navigated in 2018 have overshadowed the solid financial performance delivered, demonstrating the resilience of the business and exploration success towards developing future growth prospects.

Building on our strong safety record, we have implemented further measures to safeguard our employees. Our sustainability initiatives developed throughout 2018 aim to help the local communities and protect the natural environment in which we operate.

SUSTAINABLE HIGHLIGHTS

GROUP LOST TIME INJURY FREQUENCY RATE

(per 200,000 working hours)

0.06

2017: 0.26

WATER RECYCLED

(% of seawater reused in closed circuit)

38.9%

2017: 53.2%

ENVIRONMENTAL INCIDENTS

(major incidents)

Zero

2017: Zero

DIRECT SUKARI WORKFORCE

(% employed locally to country of operation)

1,497 (94%)

2017: 1,670 (93%)

OPERATIONAL HIGHLIGHTS

GOLD PRODUCTION

(oz)

472,418_{oz}

2017: 544,658oz

ALL-IN SUSTAINING COSTS

(ounces sold)

US\$884/oz

2017: US\$790/oz

CASH COSTS OF PRODUCTION

(ounces produced)

US\$624/oz

2017: US\$554/oz

GROUP MINERAL RESOURCES

(Moz)

15.7_{Moz}

2017: 15.0Moz

FINANCIAL HIGHLIGHTS

REVENUE

(US\$m)

US\$603_m

2017: US\$676m

EBITDA

(US\$m)

US\$258_m

2017: US\$309m

PROFIT AFTER TAX

(US\$m)

US\$153_m

2017: US\$205m

CASH AND LIQUID ASSETS

(Debt free)
(US\$m)

US\$322_m

2017: US\$418m

TOTAL DIVIDEND

(US\$m)

US\$63.5_m⁽¹⁾

2017: US\$145m

(1) Including the proposed final dividend of US\$34.6 million (interim dividend paid of US\$28.9 million).

Our history

THREE DECADES OF EXPLORATION SUCCESS
DRIVING SUSTAINABLE VALUE CREATION

A leading independent African mineral explorer, developer and miner.

Centamin’s principal asset is the Sukari Gold Mine (“Sukari”), geologically located along the Arabian Nubian Shield (“ANS”) in the Eastern Desert in southern Egypt. Sukari began production in 2009 and is the first large-scale modern gold mine in Egypt. Centamin has grown and developed Sukari into one of the largest and lower quartile cost gold mines in the world, with significant resource exploration upside.

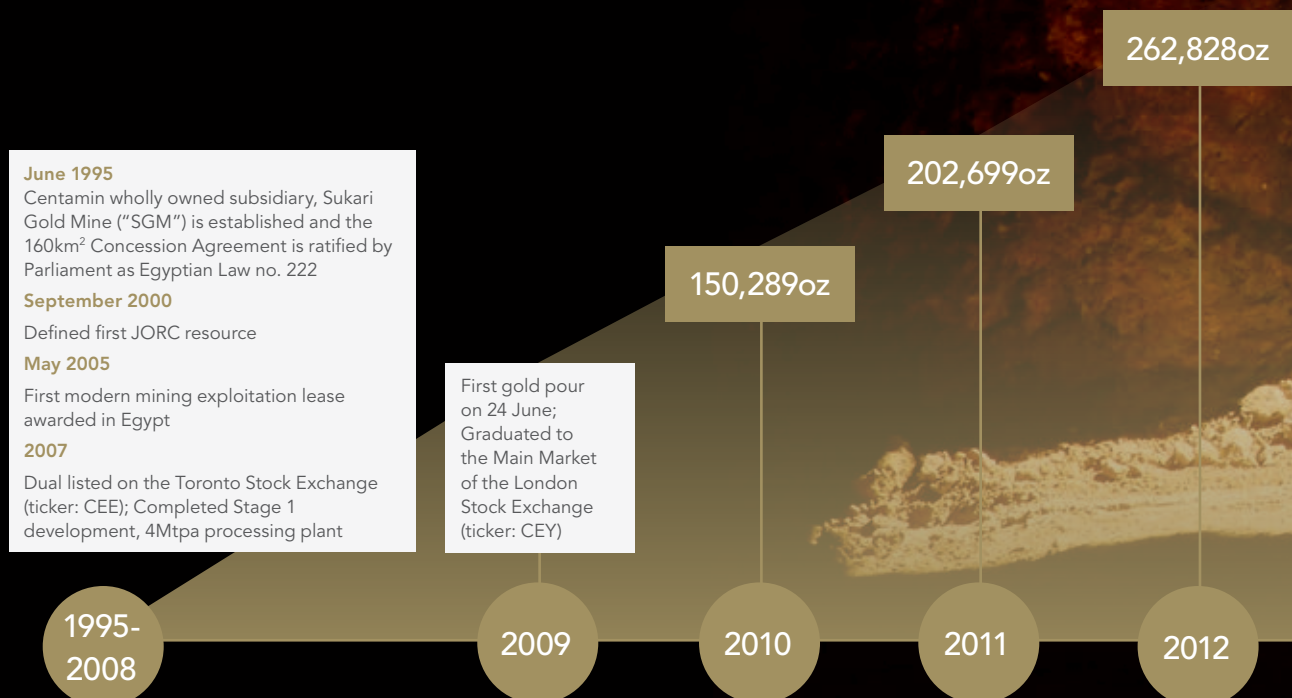
LISTED:
London Stock Exchange (CEY),
Toronto Stock Exchange (CEE)

MARKET CAPITALISATION:
US\$1.6 billion (31 December 2018)

CUMULATIVE DIVIDENDS PAID:
US\$418.7 million

**CUMULATIVE DIRECT FINANCIAL
PAYMENTS in Egypt:**
US\$367 million

**SUKARI PROJECT CAPITAL
RECOVERED: 100%**



INTRODUCTION

Sukari Gold Mine

- Centamin has transitioned Sukari through the business model, from exploration, financing, development, into operation and continues to create future value through sustainable investment and exploration upside.
- Produced 3.4Moz of gold since June 2009.
- Operations started as an open pit mine with a 4Mtpa processing plant and dump leach operation.
- Today, a +1Mtpa high-grade underground mine and +11Mtpa open pit mine feed the 12.6Mtpa processing plant and dump leach operations.
- Sukari current resource is +11.0Moz, including 7.25Moz of reserves, with significant resource growth potential.

What we know best

- Leveraging off the Board and management, our African operating and exploration expertise and track record has allowed Centamin to selectively acquire 3,472km² of highly prospective land packages in Côte d'Ivoire.
- First significant gold discovery made in 2015.
- Today, Doropo Project is a 2.13Moz indicated resource and at an advanced economic assessment stage, scheduled for a development decision in 2020.
- Today, the early stage greenfield ABC Project declared a maiden 650koz Indicated resource.



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Investment case

Centamin's core strategy remains to grow organically, maximising the value out of the existing operation, while progressing an active pipeline of future growth prospects through the discovery and development of orebodies that meet our operational and revenue objectives.

1

RELIABLE DIVIDEND STREAM

Low-cost, long-life asset supports a sustainable long term dividend stream in conjunction with growth capital investment.

▶ Find out more on pages 28 and 29

2

ESTABLISHED FOUNDATION: THE NEXT DECADE

Sukari is a Top 10 Tier 1 global gold asset with base case production greater than 500,000 ounces per annum, life of mine greater than 15 years and cost profile in the lowest half of the cost curve.

- 2019 forecast production 490,000 – 520,000 ounces
- 2019 forecast cash costs of US\$675-US\$725/oz produced and all-in sustaining costs of US\$890-US\$950/oz sold
- Group reserves and resources: 15.7Moz mineral resource, including 7.25Moz in reserves

▶ Find out more on pages 24 and 25

3

ROBUST FINANCIAL STRATEGY

Strong, flexible balance sheet, US\$322.3 million in cash and liquid assets, as at 31 December 2018, with no-debt instruments responsible returns for stakeholders.

- Sustainable dividend stream, US\$418 million distributed over five consecutive years
- Large direct and indirect employer of 2,337 workforce (2,099 are local to the country of operation)
- Total payments to the Egyptian government in excess of US\$367 million
- Stringent cost management and disciplined capital allocation
- Self-funded organic growth pipeline
- Re-investment to sustain the core business for the long term
- Continuous investment in exploration, unlocking and extracting future value from asset portfolio underpinning long term growth

▶ Find out more on pages 26 and 27

Our vision is to continue generating tangible value for our stakeholders, thereby contributing to the socio-economic development of our host countries, driving an improved standard of living and wellbeing of the communities we operate within.

4 DRIVING GROWTH THROUGHOUT THE ENTIRE VALUE CHAIN

Our focus is on maximising operational efficiencies at the world-class Sukari Gold Mine and near-mine exploration for additional sources of high-grade ore, while unlocking value from our highly prospective West African land package, identifying future growth prospects to compete for capital allocation.

- Exploration: mineral resource and reserve upside across the portfolio offers the opportunity for further value creation with low capital intensity by increasing high-grade feed to the existing Sukari mill and through diversification across our West African land package
- Operations: maximising operational efficiencies as the core area of immediate term growth
- Processing: increase plant throughput
- Production: improve metallurgical gold extraction

▶ Find out more on pages 30 to 32

5 SAFE AND RESPONSIBLE CORPORATE CITIZENS

- Industry-leading safety record of 0.06 (Group) LTIFR per 200,000 workplace hours
- Sustainability initiatives in motion: significant plans to reduce CO₂ emissions through a planned solar farm and active measures to improve the recycling and reusing of seawater through the plant
- Strong emphasis on workplace training and development for all employees
- Listening to the community and wider stakeholders through a new grievance mechanism

▶ Find out more on pages 32 and 33

We believe we can achieve this, through continued ethical employment, health education, workplace training, and with federal, local and growth investment. All underpinned by responsible mining, strong stakeholder engagement and reliable returns.

Where we operate

World-class mine with value driven organic growth pipeline.

-  Operating mine
-  Development
-  Advanced exploration
-  Exploration

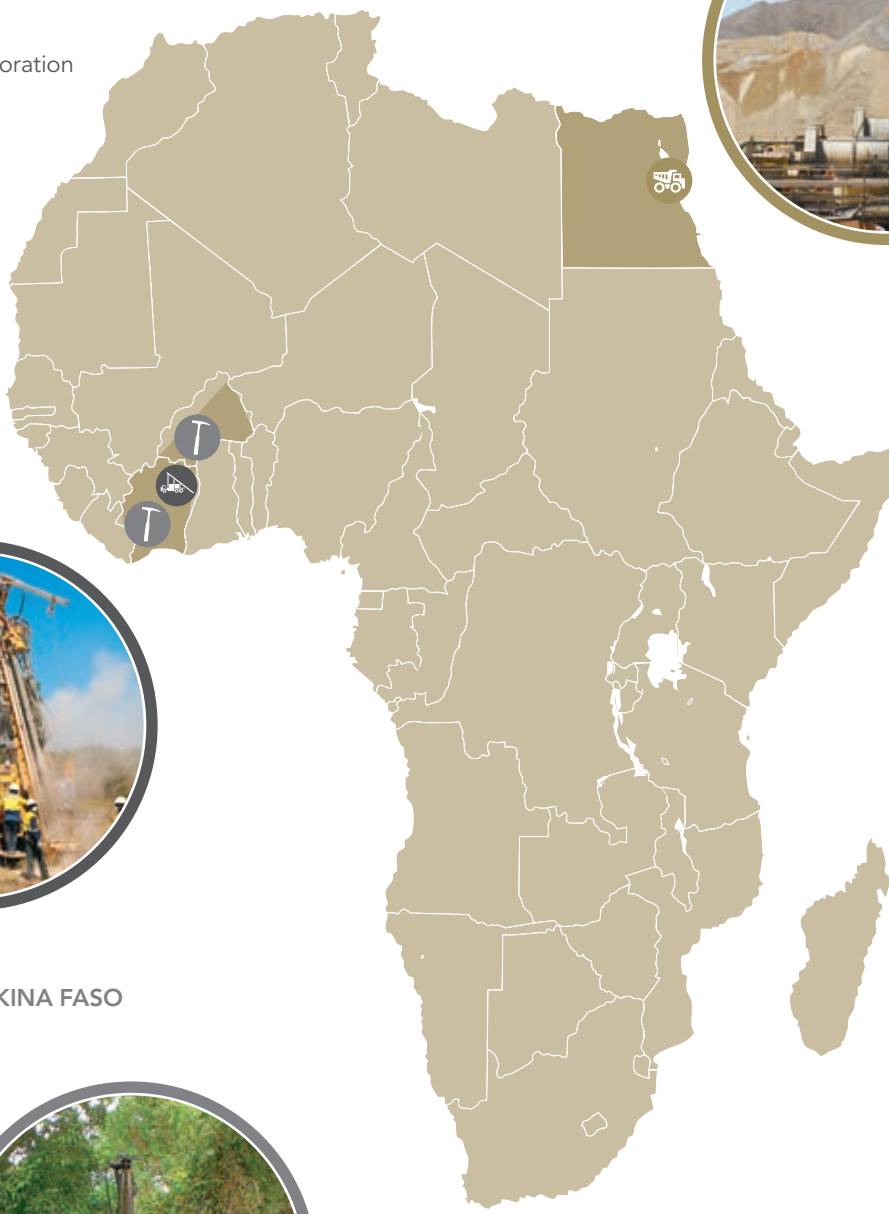
EGYPT



CÔTE D'IVOIRE



BURKINA FASO



OPERATING MINE



Sukari Gold Mine, Egypt

In its 9th year of commercial production, Sukari produced 472,418 ounces, generating US\$63.4 million in free cash flow and sustainable shareholder returns.

KEY FACTS

- Open pit, underground and dump leach operation
- 12.6Mtpa processing plant
- 7.25Moz total mineral reserve, underpinning at least a 15-year life of mine
- 11.0Moz total resource (incl. reserves)
- 174Mt at a grade of 1.1g/t in open pit reserves
- 4.4Mt at a grade of 5.6g/t in underground reserves

DEVELOPMENT



Cleopatra Exploration and Development Decline (“Cleo Decline”), Sukari Gold Mine

Located at the north of the Sukari porphyry, the Cleo Decline has been engineered to 1Mtpa material movement capacity. This decline provides exploration access into the Cleopatra zones, as another potential source of high-grade ore to the existing plant and to provide alternative access to the high-grade deeper levels of Ptah.

KEY FACTS

- 2,560m of development decline completed
- 20,000m of exploration drilling completed
- 1.2Mt at 4g/t mineral resource
- 2019 exploration budget US\$15 million: >10,000m drilling and >2,000m decline development

ADVANCED EXPLORATION



Doropo Project, Côte d’Ivoire

Located on the northeast of Côte d’Ivoire, active exploration commenced at Doropo in late 2014. Exploration has delivered year-on-year resource expansion, while improving the geological blueprint across this highly prospective land package.

KEY FACTS

- 2.13Moz indicated mineral resource with significant resource upside potential
- 2,721km² licence holding
- Mining: current resource suitable for open pit
- Processing: undergoing viability studies for heap leach initially to fund CIL plant development
- Economic feasibility study currently underway

EXPLORATION



Batie West Project, Burkina Faso

Located in the southeast of Burkina Faso

KEY FACTS

- Total 1,100km² licence holding; including exploitation permit over 64km²
- 1.35Moz Indicated mineral resource
- Scoping study underway



ABC Project, Côte d’Ivoire

A new greenfield discovery in 2017, ABC is located along the underexplored Archean-Birimian Contact zone (“ABC”), lending the acronym to its namesake. Systematic drilling and ground exploration have returned excellent results on investment.

KEY FACTS

- 650koz indicated maiden mineral resource delineated in 18 months of active exploration
- Significant resource upside within resource area and along the LGC mineralised signature
- 750km² licence holding
- 25,000m drilled to date
- US\$5.4 million invested, for an average discovery cost of US\$8.50/indicated ounce

Chairman's statement

This year, against an operationally challenging backdrop, Centamin produced 472,418oz of gold, delivered a solid cost performance and returned excellent exploration results across our portfolio of assets.

Josef El-Raghy
Chairman



Dear shareholders,

On behalf of the Board, herewith, I would like to present the 2018 results.

Purpose-driven growth

Ten years ago, we produced our first gold bar from Sukari, a seminal milestone in the Company's history and the Egyptian modern mining industry. Today, we have produced in excess of 3.8Moz of gold from Sukari, with greater than 15 years' scheduled future production from this global Tier 1 gold asset.

I would personally like to thank our partners, the Egyptian Mineral Resource Authority ("EMRA"), for their support over the years – our shared vision of what we can, and have, achieved together is testament to the success of that partnership. Mining has yet to fulfil its true potential in Egypt, providing jobs, infrastructure, community opportunities, in addition to direct fiscal revenues through royalties and profit share. We look forward to continuing to work in partnership with EMRA to ensure Egypt develops its gold resources for future generations, delivering long term economic growth to the benefit of the country and all of our other stakeholders.

2018 performance

This year, against an operationally challenging backdrop, Centamin produced 472,418 oz of gold, beat cost guidance and returned excellent exploration results across our portfolio of assets. Our workforce responded to the operational challenges with dexterity and professionalism.

Throughout 2018, the Company was in regular communication with you, its shareholders, and the broader market to revise expectations in accordance with the operational challenges faced. We recognise the impact of these short term revisions on the shareholder experience and would like to take this opportunity to thank you for your support and engagement. Together, we demonstrated the underlying resilience and financial robustness of the business and continued to make progress in delivering on our strategy.

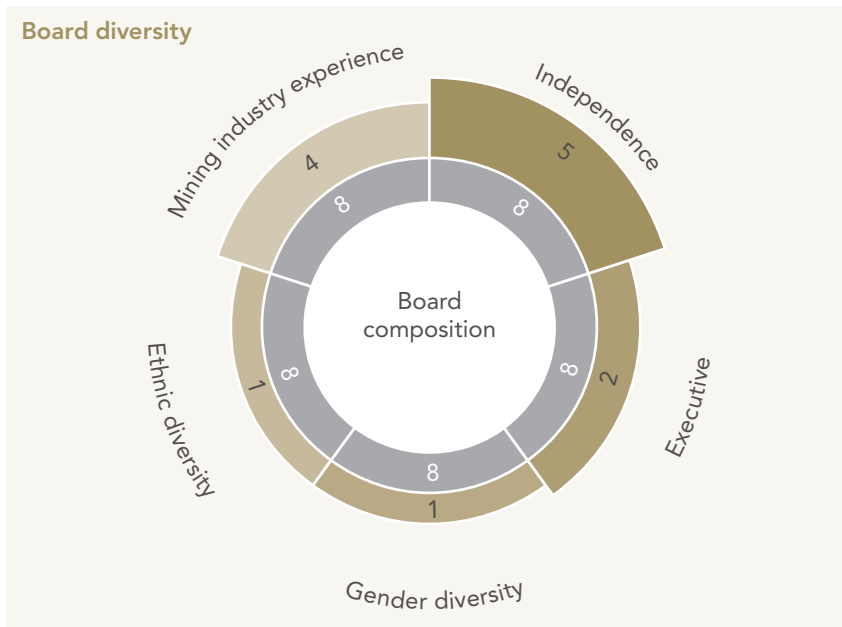
Clear strategy

Centamin's core strategy remains focused and consistent: deliver organic growth by optimising the performance of our existing operation, while progressing an active pipeline of future growth prospects through the discovery and development of orebodies that meet our operational and cost objectives. Stringent cost management and closely managed, disciplined capital allocation has delivered another year of meaningful cash generated from operations of US\$223.4 million.

During 2018, we successfully delivered on most of our strategic pillars: Financial Flexibility, Stakeholder Returns and Active Growth Pipeline objectives, and made marked progress on Sustainability objectives. Operational developments in 2018 meant we could not deliver against all the objectives set within our Asset Quality strategic pillar. Solutions implemented throughout the year demonstrated good progress: we fully exited the transitional zone, a spare LHDR is on site and operational, and we continue to work through the factors driving increased dilution in the underground, demonstrated by quarter improvements. While this remains a core area of focus, we believe we have navigated the challenges and have the right strategy in place to deliver on our promises in 2019 and beyond.



Warehouse and power station at Sukari.



Our aggressive approach to managing the bottom line, and thereby maximising cash flow, resulted in free cash flow generation of US\$63.4 million, after the aforementioned stakeholder returns, in spite of a 13% decrease in gold production.

In line with the Company’s sustainable dividend policy, the Board of Directors is pleased to propose a final dividend for 2018 of 3.0 US cents per share, for shareholder approval at the upcoming annual general meeting (“AGM”). The Board returned US\$28.9 million to shareholders as an interim dividend of 2.5 US cents per share. The proposed total dividend of 5.5 US cents per share, equal to US\$63.5 million cash dividend payout for 2018, is equivalent to returning 100% of free cash flow to shareholders.

Reliable stakeholder returns

Centamin aims to generate tangible value for each of its stakeholders, thereby contributing to the socio-economic development of its host countries and supporting long term sustainable operations to the benefit of its employees, partners and communities. The Group workforce consists of 1,500 direct employees, 94% are local to the country of the asset, and a further 840 contractors, of which 87% are employed locally. Operating and growing a regional hub-based approach lends itself to a cultural, ethnic and gender diverse workforce.

In 2018, Centamin generated and distributed a total of US\$99.6 million to our host country governments by way of profit share, royalties, tax and licence fees, and a further US\$40.8 million paid to employees in benefits and salaries. Throughout the year, proactive local engagement with the communities we operate within has been a critical process in ensuring we understand their needs to effectively develop and deliver mutually beneficial sustainable initiatives.

Chairman's statement continued

Reliable stakeholder returns continued

The Company is in a strong financial position with cash and liquid assets of US\$322.3 million, as at 31 December 2018, and no debt or hedging in place. The Board continues to review capital allocation opportunities in line with the Company's growth and cost objectives. We have a number of growth opportunities within our portfolio which we will progress until a stage we can measure them against our internal growth and cost objectives. The Company has a sustainable dividend policy in place, having returned US\$418.7 million over the last five years (excluding the proposed 2018 final dividend) and regularly reviews alternative means of returning capital to shareholders.

Maintaining a strong Board for the future

There has been a key focus throughout 2018 on succession planning and recruitment across the Group, not just at Board level. Routine review of the operational organisation structure and emphasis on professional development has resulted in multiple internal promotions and successful external recruitment, ensuring we have the right team to deliver our strategy. Sukari is operated from the ground, on a regional-hub approach, led by the General Manager. As Doropo continues to progress up the value chain towards potential development, we are expanding the regional team, ensuring we have the right people in place to deliver the next stage.

At the Board level, we are delighted to welcome Dr Ibrahim Fawzy as an independent Non-Executive Director. Dr Fawzy is a pioneer who has been responsible for driving and developing Egyptian industry reform through the wide range of senior positions he has held over many years. His extensive experience within the public and private sectors will be an excellent complement to the corporate strategy and the strength of our existing balanced, multi-disciplinary Board.

In March, Trevor Schultz stepped down from the Board having been with the Company for twelve years, much of which was successfully leading the phased construction of Egypt's first modern mechanised gold mine. We wish him well in his future endeavours and look forward to preserving his legacy as we continue to maximise operational efficiency of Sukari's infrastructure, as delivered in 2018 with the plant throughput in excess of design capacity and improved recoveries.

Succession planning will continue with vigour into 2019, maintaining a strong Board for now and the future. The Nomination Committee is actively pursuing the further appointment of three independent Non-Executive Directors, specifically with technical and capital market expertise. In particular, one individual who will succeed myself, as Non-Executive Chair, will guide the Board, management and Company forward in achieving our future milestones.

Material upside

We start the tenth year of commercial production with an increased production outlook of 490,000 – 520,000 ounces, as we are actively working through the outstanding factors impacting underground dilution at Sukari. These actions include the installation of a Cemented Hydra Fill Plant (CHFP), which will be used to stabilise the stoping voids and reduce the impact of dilution through cascading.

In 2018, we were able to contain our cost pressures on an absolute basis; however, in 2019 we forecast an 8% – 11% increase in cash costs per ounce and a 1% – 7% increase in all-in sustaining costs per ounce. This is largely driven by increasing input costs, due to the increased volumes in both mining and processing, as well as rising fuel, reagent and consumable prices. The Company is in the final stages of a detailed design and feasibility study for a solar farm that could ultimately produce circa 40MW(AC). Once installed, this will deliver significant cost saving and environmental benefits, reducing our reliance on fossil fuels.

This year we grew our global resource by 5% to 15.7Moz, predominantly driven by increased contribution from our Côte d'Ivoire assets. Sukari underground reserves were replaced in excess of mining depletion, delivering on our primary underground exploration objective. We remain confident in delivering further Group reserve and resource growth supported by consistent investment into exploration, potentially shaping future development prospects outside of Egypt as well as defining additional sources of high-grade tonnes at Sukari.



Drilling in West Africa.

Corporately we always look for an opportunity to increase our landholding within the underexplored Arabian Nubian Shield, leveraging off of our established in-country foundation, workforce, resources and technical expertise. Centamin, through the construction and operation of Sukari, has attracted in excess of US\$1 billion in foreign investment into Egypt, the success of which makes us the largest direct financial investor in mining. We continue to work closely with EMRA and would support fiscally fair and commercial terms to unlock Egypt's resource potential and attract more foreign investments, for the benefit of the country.

We welcome you to attend the AGM, which will be held in Jersey on 8 April 2019. The AGM result in 2018 required immediate action by the Board and a consultation process was undertaken with shareholders and proxy advisory groups to address their concerns and understand the reasons for the significant votes cast against the members of the Remuneration Committee and the remuneration policy/report. Following that review process and taking account of feedback following the consultation process, the Board is pleased to recommend the approval of the updated remuneration policy, remuneration report and performance share plan to shareholders at the forthcoming AGM.

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

Josef El-Raghy

Chairman

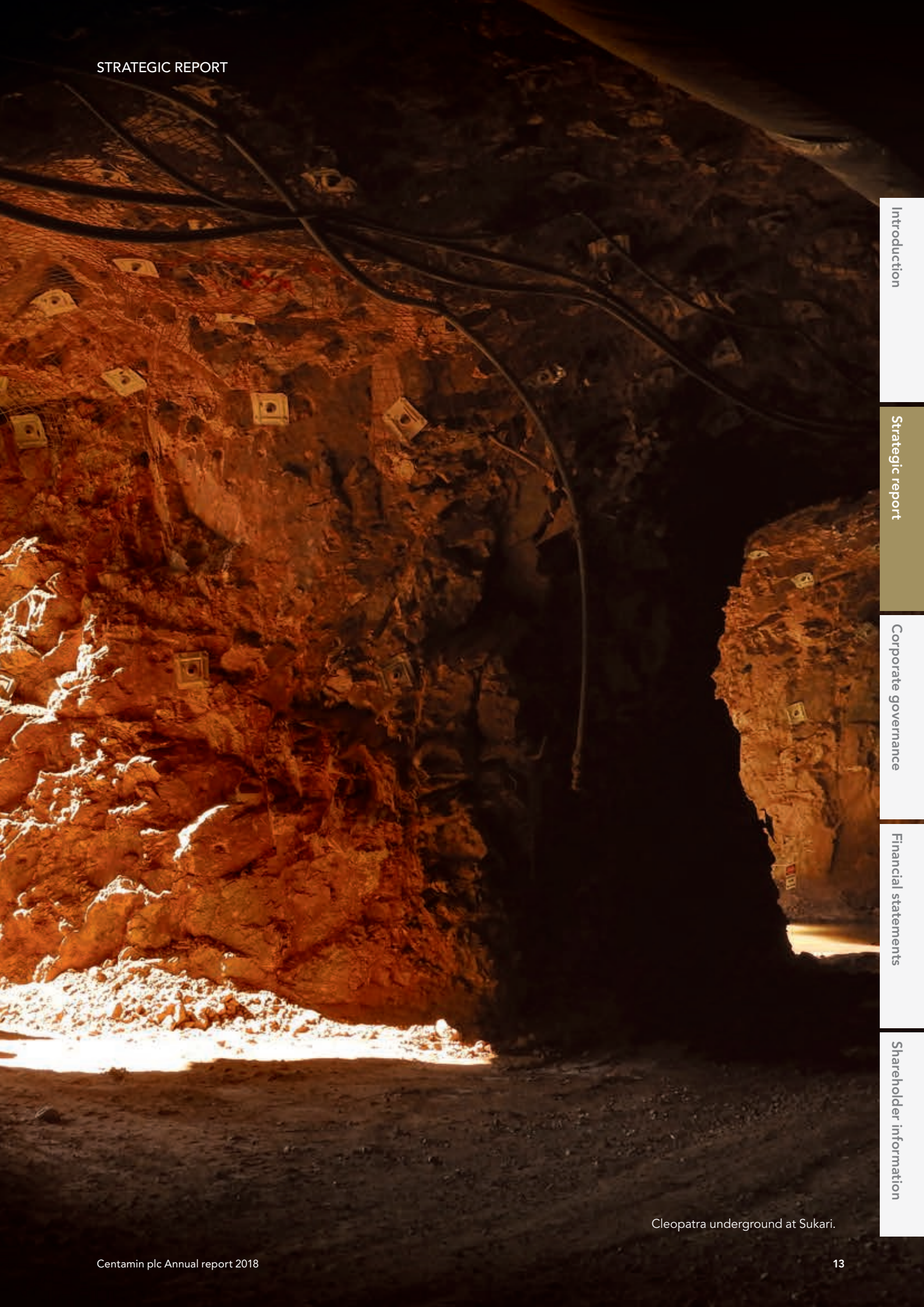
1 March 2019

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Cleopatra underground at Sukari.

Chief Executive Officer's statement

We are confident we have the right strategy in place to deliver on our objectives.

Andrew Pardey
Chief Executive Officer



As we reflect on 2018, I want to start by thanking you, our shareholders, for your loyal support and contribution. Engagement with shareholders and, more broadly, stakeholders is critical to the success of our business.

Sustainability

Significant health, safety and environmental risks that affect the mining industry, affect us and how we operate. We believe it is crucial to learn from our peers, particularly in times of catastrophe, to understand our exposure to certain risks and ensure we have taken the necessary actions to mitigate against this happening.

The health, safety and wellbeing of our workforce is central to our corporate culture. In 2018 we reduced our Group lost time injury frequency rate by 76% to 0.06 per 200,000 workplace hours. It is with much sadness that earlier this month a drilling contractor, working at one of our Ivorian projects, was attacked by a swarm of killer bees. He sustained serious injuries and although he was rushed to the nearest facility for treatment, he later died. Our aim is to create an environment such that every person, employee and contractor returns home safely at the end of their shift – every incident, minor or serious, we learn from and look to apply ways of improving our work environment.

There were no major environmental incidents to report during the year and there has been a reported reduction in low or minor incidents. The industry has been shaken by recent catastrophic tailings dam collapses. Centamin has one purpose-built active downstream tailings storage facility ("TSF") at Sukari. The latest review confirmed the structural integrity of the TSF; however, a proposed required managing surface water levels off the TSF. Given the arid environment where the TSF is located, evaporation and re-use of the surface water through the plant provides adequate opportunity to manage this recommendation. We are also in the process of completing an external engineering study to build a second active downstream TSF, targeted for completion in 2024.

Improvements for a better Sukari

This year Centamin's performance was marred by operational challenges experienced in the open pit and underground at Sukari. As a team, our focus has been on resolving the challenges and improving how we run the operations. Total production for 2018 was 472,418 ounces, a 13% reduction on 2017 ("YoY").

We have taken several corrective actions throughout 2018 to address, in part, the issues faced and mitigate future impact, including personnel changes in order to strengthen our operational leadership team, implementing improved controls, new underground technologies and closer management of underground operations, ensuring improved efficiency. There is further work to be done to return the operations back to a stable and reliable run rate and we are confident we have the right strategy in place to deliver on our objectives.

The open pit, following another record quarter for material moved and ore mined, delivered higher grades as mining progressed deeper into Stage 4. This will continue into 2019 as grades improve towards 1g/t. Open pit equipment availability, productivity and utilisation rates were excellent this year, as we mined through the transitional zone as quickly and efficiently as possible. In 2019, stripping will commence on Stage 5 transitional zone whilst ore mining will remain predominantly on Stage 4.



24 hour operation at Sukari.

Costs kept under tight control

We remain firmly focused on managing the bottom line as we continue to deliver on long term cost reduction initiatives and actively assess new cost reduction opportunities. Despite reduced production output and increasing cost input pressures, in 2018 we delivered costs comfortably within the bottom half of the global gold producing cost curve. Total unit cash costs of production of US\$624/oz gold produced, up 13% YoY, and all-in sustaining costs of US\$884/oz gold sold, up 12% YoY. Importantly, our absolute cost base remained broadly flat: total cash costs of production of US\$289 million, a 4% reduction YoY, and all-in sustaining costs of US\$420 million, a 1% reduction YoY. Where the build-up in stockpiles throughout the year helped to reduce costs, key focus areas for cost savings have been around improvements to fleet scheduling and utilisation, resulting in less trucks per unit moved; continued improvements in working capital, including significant reduction in warehouse stores inventory; and renegotiation of improved commercial terms on some key supply contracts.

Delivering organic growth

Exploration remains the foundation of our business. Continuous investment in exploration at Sukari allows us to continually improve our geological knowledge. Our objective is reserve replacement and resource expansion and again we have delivered that this year – replacing underground reserves in excess of underground mining and increased the underground measured & indicated grade by 5%. We continue to unlock the full potential of the underground. The orebody remains open at depth, to the south, and structurally within the porphyry.

Throughout the year we increased our exploration activity in Côte d'Ivoire and we are delighted with the results. Doropo continues to demonstrate the potential to be our next organic development project. Ongoing exploration and concurrent viability studies will further unlock the potential future scale of this project as we assess the economics against our internal project value creation criteria. The pre-feasibility study is progressing well and we look forward to reporting the results to the market at the end of H2 2019. Delivery of a maiden reserve and further feasibility work are critical milestones for 2019, ahead of a Board decision on capital allocated for development.

The success and scale of the 2018 ABC discovery results and the reporting of the maiden Kona South resource in less than two years of active exploration, highlights the scale and quality of the Lolosso Gold Corridor and the regional generative potential of the ABC land package. We have only scratched the surface of the potential of these assets, and we will maintain the intensity of our exploration programme in 2019 to define further quality gold ounces.

Generating significant cash flow

The Group generated cash flow from operations of US\$223.4 million, invested US\$89.2 million in sustaining capital and distributed US\$76.4 million to our Egyptian state partners, EMRA, by way of profit share, resulting in Group free cash flow generated of US\$63.4 million. In the short-to medium-term, there continues to be a sustainable level of free cash flow generation, excluding any growth from additional sources of ore and material benefits from cost savings initiatives.

Chief Executive Officer's statement continued

Generating significant cash flow continued

The Company is in a strong financial position, with cash and liquid assets of US\$322.3 million as at 31 December 2018. We are confident we have the financial flexibility and agility to drive organic growth through our highly prospective exploration pipeline and are well positioned to take advantage of any market opportunities suitable for our business and growth strategy. Shareholder returns are a strategic priority. The Company has a sustainable dividend policy in place, delivering a fifth consecutive year dividend payout, and the Board regularly reviews alternative means of delivering shareholder returns.

2019 outlook and beyond

We enter 2019 with the same focus on driving operational efficiencies, always looking for opportunities to further optimise the operations, whether it be through continued investment in talented people, new technology or through adaptation of existing process and procedures. Our production guidance for 2019 is 490,000-520,000 ounces, for total cash costs of US\$675-US\$725/oz produced and all-in sustaining costs of US\$890-US\$950/oz sold.

The Sukari mine plan production is weighted towards the second half of the year, with approximately 55% of ounces produced across Q3 and Q4 2019. The main factor is the open pit, as Stage 4 grade improves with depth, balanced with increased stripping following the challenges with the transitional zone last year and stripping of Stage 5. Q1 is scheduled to be the weakest quarter, budgeting for 105-115koz. The open pit is performing in line with expectations and the focus is on resolving the factors driving increased dilution from the underground, including a new stoping plan and backfill plant.

Several key personnel changes have been made at an operational level in Q4 2018 and, continuing in Q1 2019, this presents increased short term risks for significant medium and long term benefits.

We are confident we have the right strategy and personnel onsite to achieve on our main objective, returning Sukari to consistent and steady state production. Our strategy has always been to maximise margins through tight cost controls, deliver operational efficiencies and therefore enabling reliable returns to shareholders. By maintaining a strong balance sheet, we also have the ability to capitalise on opportunities for growth.

Andrew Pardey

Chief Executive Officer

1 March 2019



Drilling in Côte d'Ivoire.

Market review

As a gold miner, Centamin is impacted by the dynamics of the gold market. Centamin maintains a no-hedging policy and remains firmly focused on extracting, processing and producing gold as responsibly and cost effectively as possible, maximising margins.

Gold

Precious metals faced up to the brunt of 2018's macroeconomic storm, and yet given the further headwinds as a result of a strong USD, Federal rate rises and quantitative tightening, lower central bank purchases, persistently low inflation, weak physical demand and exchange traded fund ("ETF") outflows, gold closed up 1% at US\$1,280 per ounce at the end of 2018. In Q4, weakening USD, rising concern about global growth slowdown and increasing equity market turmoil were likely contributing market factors in approximately a US\$100 per ounce increase in the gold price, from US\$1,183 per ounce.

Supply

Gold supply is likely to remain tight. Global exploration expenditure has increased 18% in 2018 but is still 50% of what the exploration spend was at its peak in 2012. With mines depleting resources and gold discoveries being made less frequently, it is likely to take some years before the increased investment in exploration will materialise into significant increases in gold supply.

Demand

Worries about a global growth slowdown, geopolitical tensions and financial market volatility supported gold demand. Global gold demand increased 4% YoY in 2018, to 4,345 tonnes. There was a remarkable 76% increase in annual central bank buying, totalling 651.5 tonnes, the most gold bought by central banks since before the USD was unpegged from gold in 1971.

According to the latest report from World Gold Council, a number of emerging markets significantly added to their holdings, notably Poland, Russia, Turkey, Kazakhstan and China. Jewellery demand held broadly flat at 2,200 tonnes with improving consumption in China, Russia and the US offsetting declines in India and the Middle East. Retail purchases of bars and coins increased 4% YoY from 1,045 tonnes in 2017 to 1,090 tonnes last year; however, investment buying slumped 67% YoY as 2018 was a year marked by significant ETF outflows despite the resurgence in buying activity throughout Q4, with 69 tonnes of gold added throughout the year compared to 206 tonnes in 2017.

2019 outlook

Market consensus indicates a re-rating of the gold sector, backed by macroeconomic conditions, robust physical demand, safe haven investing, and diversification, present strong fundamentals for a rising gold price. Forecasts for a weaker USD, rising inflation, and an anticipated pause in interest rate hikes in the second half of 2019, all suggest the headwinds for gold could turn with momentum. A negative outlook for gold could be if a China-led industrial recovery occurs sooner than expected or global economic growth slowdown is coupled with increased financial market turmoil.

Market fluctuations: how we respond

Centamin maintains a no-hedging policy and remains firmly focused on extracting, processing and producing gold as responsibly and cost effectively as possible. The Company has achieved an impressive nine-year track record of positive free cash flow generation against a rapidly changing domestic and global economic environment, foreign exchange volatility and commodity cycles, namely gold and fuel price. To account for these changing variables, the Company regularly updates the reserve and resource statements accordingly. As part of a Group-wide sustainability initiative, respective studies have been done or are underway, assessing viable environmentally friendly options to reducing the reliance on fossil fuels, currently 20% of our cost base.

- Maintain strong balance sheet: US\$322 million cash and liquid assets, no debt
- Maximise margins: US\$383/ounce AISC margin
- Disciplined alignment of spend to cash flow: 13% reduction in 2018 capex (against budget)
- Completing solar farm feasibility study: 40MW solar power, partial solution against 80MW p.a. fossil fuel consumption

Source of information for market review: SP Global Market Intelligence, World Gold Council, Bloomberg.

Business model

We seek to create long term value for our stakeholders throughout the business cycle.

INPUTS

These are the key resources and relationships that underpin our business model



Natural resources



Experienced workforce and management team



Strong financial management



Dynamic relationships with key stakeholders

BUSINESS CYCLE

The mining business cycle is not a mutually exclusive staged process. Centamin operates its mine throughout the year, with continuous investment into results-driven exploration activities and sustainability initiatives

Explore

Exploration is at the heart of everything we do, the foundation we are built upon, and will remain our competitive advantage for creating future value and ensuring business continuity. Our excellent geologists, with the support of technology, systematically and methodically explore our highly prospective West African landholding, making discoveries and unlocking resource value. Today, Centamin's global resource is 15.7Moz of measured and indicated mineral resources.

Develop

Centamin takes a modular approach to development, maximising cash flow and returns. Sukari was built over four stages to minimise execution risk and ensure more effective, responsible capital allocation. After stage one, the operation was able to fund the next stages of growth. Today, Sukari is a 12.6Mt per annum processing operation.

Mine and process

Preserving the integrity of the asset is core to our decision making. Maximising operational efficiencies through mining and processing to achieve the optimal gold output, cost effectively. Sukari is an established large-scale, low-cost open pit, underground and dump leach operation. Throughout 2018 Sukari continued investing in intellectual capital as key initiatives to maximise efficiencies, productivity and to improve risk assessment.

Refine

Our end product is gold doré bars. All gold production is sent on a weekly basis to a refinery for smelting into bullion.

Sustain

Establishing and nurturing a strong social licence to operate is embedded within our decision making. Centamin has been creating long term value within Egypt for three decades, working in partnership with local stakeholders to develop Egypt's modern gold mining industry. Today, with a mine life in excess of 15 years, Centamin looks forward to creating further value for all stakeholders in the decades ahead by growing production, fiscal contribution, employment opportunity and local investment.

By nurturing a safe, innovative and responsible operating environment whilst generating significant cash flow and maximising shareholder returns.

OUTPUTS

The key output of our value creation

Maximising free cash flow

+

Unlocking value from the asset portfolio

PROCESSES AND CONTROLS CREATE THE FRAMEWORK TO DELIVER OUR STRATEGY

- Effective risk management
- Disciplined cost controls and efficient capital allocation
- Strong, active partnerships with countries and communities we operate in
- Compliance within the legal and regulatory jurisdictions we operate in
- Experienced leadership organisational structure
- Well balanced multi-disciplinary Board ensuring a high standard of corporate governance

LONG TERM VALUE CREATION

Sharing and reinvesting our value creation with all stakeholders

For employees

- Centamin employs 1,497 people, of which 94% are employed locally to the respective asset or administrative office
- In addition to earning income, excellent on-the-job training and professional development is provided
- First priority is ensuring the workforce have a safe and healthy work environment
- US\$40.8 million in benefits and salaries to employees

For local communities

- Creating sustainable communities through investment and employment
- Implementation of new demand-driven health education and welfare initiative
- Delivering sanitary, unpolluted water solutions
- Aiding and constructing school facilities and athletic grounds

For governments

- Centamin contributes to the national fiscus of the countries we operate in by way of royalties, taxes and profit share, contributing to the government's ability to fund socioeconomic development
- Group direct payments to governments of US\$99.6 million
- Indirect payments creating mutual stakeholder benefit include local employee and supplier income, permits and infrastructure investment

For shareholders

- Generating reliable shareholder returns
- EBITDA: US\$257.9 million
- Profit before tax: US\$152.7 million
- Earnings per share of US\$6.5 cents
- Total dividend of US\$63.5 million, including proposed final dividend of US\$34.6 million, equivalent to 100% of free cash flow

For suppliers

- Centamin conducts regular competitive tender processes to ensure mutually fair and reasonable supply contracts
- Sukari's long life of mine increases the likelihood of negotiating mutually beneficial long term supply contracts where appropriate
- Established a reputation as a safe, ethical, local and international indirect employer
- Developed a trusted track record for reliable supply chain engagement, increasing security of the supply chain and social licence to operate

For customers

- Regular competitive tender processes with global refiners, to ensure mutually fair and reasonable terms
- Centamin mitigates risk profile by entering into a refining offtake, currently with Asahi Refining Canada Ltd, for 100% of the gold Doré bars produced
- Refining and transport charges of US\$1.5 million

Resources and relationships

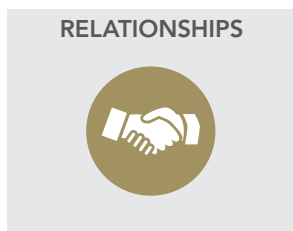
Working in partnership with our stakeholders.

Fundamental to our business are relationships with employees, governments, suppliers, local communities and other stakeholders, underpinned by good corporate governance.



Across Egypt, Côte d'Ivoire, Burkina Faso

➤ Find out more on pages 18 and 19



Stakeholder engagement

➤ Find out more on page 21

1. Skilled workforce and experienced management team

As a first mover for modern mining in Egypt, we have established an excellent training platform for continuous on-the-job training, development of skills and career progression. We operate in jurisdictions which provide good access to educated workforce and we ensure they are receiving the necessary training and skills to successfully execute on the corporate strategy.

2. Natural resources

A large part of maintaining a social licence to operate is by minimising your environmental footprint. To operate we use water and fuel. Sukari operates a closed-circuit salt-water system, minimising the local community and environmental impact, while improving the cost efficiency through water recycling.

3. Strong balance sheet

Strict cost controls and disciplined capital allocation enable us to maintain a healthy balance sheet, generate reliable shareholder returns and continuously invest in growth exploration.

4. Property and equipment

We operate the processing plant and open pit mine assets, including equipment, plant and site infrastructure. The underground mine is operated and drilled by contractors, responsible for their own equipment. We believe this to be the optimal use of physical capital and with regular training and investment in technology we look to drive operational efficiencies and productivity.

5. Relationships with our stakeholders

Strong long term relationships with stakeholders are paramount to the success of the business. Regular stakeholder engagement is imperative to establish trust, loyalty and a clear understanding of each other's needs.



SHAREHOLDERS



- Quarterly market operational reporting
- Biannual market financial reporting
- Regular corporate governance reporting
- Quarterly financial and operational presentations and interactive calls
- One-on-one meetings and presented at global conferences
- Hosted site tours of the operations
- Annual general meeting held with key Directors in attendance
- Engagement with proxy advisory groups and shareholder stewardship teams
- Monthly investor relations reports and regular market feedback communications to the Board

EMPLOYEES



- Daily pre-start and toolbox meetings
- Safe and healthy workplace
- Training programmes and professional development
- Performance reviews and appraisals
- Information sharing

GOVERNMENTS



- Regular formal and informal engagement with respective ministries, including Egyptian General Assembly
- Routine on-site representation from EMRA representatives and audits under the Concession Agreement terms
- Materiality assessment to ensure objectives are aligned
- Transparent profit sharing, royalty, permit, tax payments
- Direct job creation and indirectly through the supply chain
- Meetings with counsel ministers in Côte d'Ivoire

NGOs



- Regular correspondence, including formal quarterly meetings
- Materiality assessment
- Dedicated engagement officers
- Engagement of Digby Wells to assist in undertaking a Human Rights Impact Assessment, covering employees and the wider supplier chain through the development of a Supplier Code of Conduct

LOCAL COMMUNITIES



- Regular communication between Head of Security, Public Relations department, Group Head of Sustainability
- Materiality assessment
- Hosted site tours of the operations
- Updated grievance mechanism
- Conducted detailed community perception study with Digby Wells; initiatives to be implemented
- Direct and indirect job creation
- Health and climate change education

WORKERS' REPRESENTATIVES



- Materiality assessment
- Workforce engagement will be actioned through the HSES Committee and the existing labour and workforce committees at Sukari

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

Strategy summary

STRATEGIC FOCUS AREAS	PRINCIPAL RISKS	EMERGING/SECONDARY RISKS
<p>ASSET QUALITY</p> 	<ul style="list-style-type: none"> Achieving production estimates ▶ Political risk – Sukari ▶ Reserve and resource estimates ▶ 	<ul style="list-style-type: none"> Governance and regulation ▶ Business development ▶ Capital projects ▶ TSF integrity ▶
<p>FINANCIAL FLEXIBILITY</p> 	<ul style="list-style-type: none"> Single project dependency ▶ Relationship with EMRA ▶ Tax exposure ▶ Political risk – Sukari ▶ Litigation ▶ Production estimates ▶ Gold price ▶ 	<ul style="list-style-type: none"> Corporate action ▶ Business development ▶ Capital projects ▶ Governance and regulation ▶
<p>STAKEHOLDER RETURNS</p> 	<ul style="list-style-type: none"> Single project dependency ▶ Relationship with EMRA ▶ Tax exposure ▶ Political risk – Sukari ▶ Litigation ▶ Production estimates ▶ Gold price ▶ 	<ul style="list-style-type: none"> Corporate action ▶ Business development ▶ Capital projects ▶ Governance and regulation ▶
<p>ACTIVE GROWTH PIPELINE</p> 	<ul style="list-style-type: none"> Exploration development success ▶ Political risk – Sukari ▶ Reserve and resource estimates ▶ Political risk – West Africa ▶ 	<ul style="list-style-type: none"> Business development ▶ Capital projects ▶ Local security – West Africa ▶ Governance and regulation ▶ Active growth pipeline ▶
<p>SUSTAINABILITY</p> 	<ul style="list-style-type: none"> Relationship with EMRA ▶ Political risk ▶ 	<ul style="list-style-type: none"> Maintain licence to operate ▶ Governance and regulation ▶ TSF integrity ▶ Local security (West Africa) ▶ Retention of personnel ▶

OBJECTIVES	KPIs REPORTED IN 2018	KPIs SET FOR 2019
<ul style="list-style-type: none"> Identify high-grade underground production from Sukari Improve plant throughput rates and open-pit mining rates at Sukari Stable production with opportunities for further increases through optimisation Maintaining a low-cost operation 	<ul style="list-style-type: none"> Group reserve and resources: 7.25Moz reserves within 15.6Moz resources Open pit truck availability: 94% Processing plant utilisation: 95% Plant recoveries: 88.7% 	<ul style="list-style-type: none"> Target underground reserve replacement and resource growth through effective utilisation of exploration budgets Centamin's target is to manage and spend the sustaining capital budget in accordance with achieving its forecasted production targets and extending the life of its assets
<ul style="list-style-type: none"> Generate free cash flow in accordance with budgets and forecasted production targets Maintain a strong and flexible balance sheet Earn revenue in accordance with forecasted production targets Fully funded organic growth pipeline and robust reinvestment back into the business No debt, no hedging, no streaming 	<ul style="list-style-type: none"> US\$322 million cash and liquid assets as at 31 December 2018 Gold production: 472,418 ounces Cash cost of production: US\$624/oz All-in sustaining cost: US\$884/oz 	<ul style="list-style-type: none"> Forecast gold production for 2019 of 490,000 to 520,000 ounces Targeted range of US\$675 to US\$725 cash cost of production per ounce Targeted range of US\$890 to US\$950 per ounce all-in sustaining cost
<ul style="list-style-type: none"> Dividends take first priority on use of free cash flow Distribute to shareholders as dividends in accordance with the Company's dividend policy Profit share and royalty payments in accordance with the Concession Agreement 	<ul style="list-style-type: none"> Group direct payments to government US\$99.6 million including payment to our operating host country, Egypt Profit share US\$76.4 million Royalties US\$18.4 million Proposed total shareholder dividend US\$63.5 million 	<ul style="list-style-type: none"> Annual dividend of at least 30% of free cash flow after sustaining capital and profit share and before exploration expenditure outside of Sukari The Board continues to review capital allocation opportunities in line with the Company's growth and cost objectives
<ul style="list-style-type: none"> Resource/reserve replacement and expansion at Sukari Optimise growth from existing operations by increasing high-grade underground mining rates and processing plant upgrades Regional exploration across West Africa M&A activity for greenfield or early exploration 	<ul style="list-style-type: none"> 7.25Moz Sukari reserve, with underground exceeding reserve replacement 58% mineral resource upgrade at Doropo, PEA underway 650koz maiden mineral resource delineated at ABC 2,560 metres of Cleopatra development decline completed, producing 9koz gold 	<ul style="list-style-type: none"> Evaluate potential for additional sources of high-grade underground ore at Sukari Continue to replace high-grade underground reserve at Sukari Regional exploration programmes over the Sukari tenement Resource expansion and project evaluation across West Africa Evaluate selective M&A opportunities with the potential to develop low-cost projects
<ul style="list-style-type: none"> Workforce: Ensure robust safety standards that protect the workforce every day Environment: Responsibly manage and minimise the environmental impact of Centamin's activities Community: Improve socio-economic development in countries of operation, and improve the standard of living and wellbeing for host communities 	<p>Employees:</p> <ul style="list-style-type: none"> Reduced LTIFR by 76% Developed new grievance mechanism <p>Environment:</p> <ul style="list-style-type: none"> 33% reduction in all environmental incidents No major environmental incidents Completed competitive tender process for solar developer, appointed Bre-Gen <p>Community:</p> <ul style="list-style-type: none"> Scholarship programmes for geology students in Egypt and United Kingdom Community investment US\$0.75 million 	<ul style="list-style-type: none"> Reduce LTIFR, targeting zero-harm workplace Reduce reliance on fossil fuels through solar farm project Reduce CO₂ emissions by improving operational energy efficiencies: training to improve equipment productivity Improve water usage efficiency; targeting a 50:50 balanced water circuit

Strategy in action

Asset quality

We always strive to improve operational efficiencies to ensure we preserve the integrity of our assets – orebody, equipment, human capital.



Group reserve and resources: **7.25Moz** reserves within **15.7Moz** resources

Open pit truck availability: **94%**

Processing plant utilisation: **95%**

Plant recoveries: **88.7%**



View of processing plant and Sukari Hill.

CASE STUDY

Uncompromised commitment to drive operational efficiencies

Operational execution below the standards with which we set, expect and train our workforce and contractors to deliver, materially contributed to the operational headwinds faced in 2018.

How we responded

Increased mining dilution in the underground was an impacting factor experienced in 2018. Centamin, in good working partnership with the underground contractors and third-party consultants, underwent a review of processes and procedures to identify areas for improvement, including assessing alternative mining methods. Several changes were implemented to reduce the level of dilution and improve the operational reaction time in the future. This work remains ongoing to fully resolve this operational issue impacting performance.

Results

Tighter blasting to bogging tonnage reconciliation, smaller blasting rings, smaller sublevel caving (where appropriate), constructing a cemented hydraulic fill plant to backfill stopes, recruitment of further personnel. All supported by updated and refreshed training.

Operational outcome

Quarter-on-quarter improvements in the second half. Close monitoring of results in conjunction with the application of further improvements are expected throughout 2019.



Strategy in action

Financial flexibility

US\$322 million cash and liquid
assets as at 31 December 2018

Our robust balance sheet and aggressive approach to managing the bottom line, maximising cash flows, affords the Company the financial flexibility to fund and drive growth organically, whilst maintaining agility with which to seize value-accretive opportunities that may arise in our rapidly changing market.



No debt

No hedging

No streaming

Fully funded
organic growth
pipeline
and robust
reinvestment
back into the
business

Water truck at Sukari.

CASE STUDY

Cost-saving culture entrenched in day-to-day decision making

Underpinned by the fundamentals of our business model, we focus on minimising the cost base with stringent cost management and driving future growth with competitive, disciplined capital allocation. Increasing inflationary cost pressures experienced throughout 2018, including global rising fuel prices, Egyptian economic reform impacting local inflation and cyclical increase in mining sector activity impacting cost of supplies.

How we responded

Increased frequency of cost base and capital allocation, to maximise response time. Daily cost-benefit review of capital allocation at site with the General Manager. Regular routine prioritising of longer-term capital initiatives against the changing market pressures.

Results

Continued reduction in warehouse stores and working capital reductions from US\$100 million to US\$70.2 million as at 31 December 2018. Workplace owner-operator equipment training in response to rising open pit costs due to significant increase in material moved, as mining progressed through the transitional zone. The successful targeted training, improved productivity and availability of equipment, resulting in less equipment utilised and therefore requiring less input costs. Open pit costs per tonne reduced by 11% to US\$1.47/tonne moved. Enterprise Asset Management (“EAM”) software investment, current staged roll-out procurement efficiency mechanism. Good established in-country reputation, combined with a robust long life of mine asset, has helped facilitate the negotiation of improved contractual terms with some suppliers and contractors.

Outcome

Generated positive free cash flow of US\$63.4 million in a challenging market environment and weaker operational performance.



Strategy in action

Stakeholder returns

We recognise the importance of maintaining good relationships and working in the best interests of all our stakeholders.



Employee
benefits
and salaries
US\$40.8
million

% increase
in local
workforce
4%

Proposed total
shareholder
dividend
US\$63.5
million

Community
investment
US\$0.75
million

Group direct payments to
government
US\$99.6 million
including payment to our
operating host country, Egypt

Profit share
US\$76.4
million

Royalties
US\$18.4
million

Core samples from Underground drilling.

CASE STUDY

Centamin is committed to maximising stakeholder returns

Strong stakeholder engagement throughout the year allows us to identify and maximise mutually beneficial transparent returns in achieving short and long term objectives for the business, employees, shareholders, communities, host countries and environment.

Centamin's meaningful and transparent fiscal contribution to government through profit share and royalties and reliable shareholder returns through cash dividends are well understood fundamentals of our investment case. Our strong sense of responsibility for the wellbeing and future of our workforce is paramount to our success. Acknowledging socio-economic factors outside of the workplace can materially impact the wellbeing of our workforce. For example, as Egypt navigates tough economic reform, hyperinflation was experienced in 2016/17.

How we responded

Empowering our workforce with the required knowledge and skills through investment in training, on site or external professional development, and equipment and technology, is part of the foundation the Company was built upon. We are always exploring new ways to motivate and assist our workforce with career progression within the organisation while attracting new talented employees.

In 2016 and 2017, salary increases of 25% and 20%, respectively, were provided for the entire local Egyptian workforce. In 2018, whilst headline inflation came down to below 15%, a scaling 15-30% salary increase was provided to the local Egyptian workforce based on an independent benchmark salary survey. Centamin have always remunerated our local workforce in the top quartile, understanding the value and importance in attracting and retaining quality individuals, continuity for long term sustainability and career progression.

Results

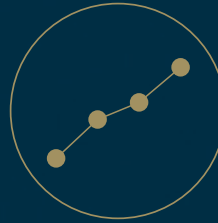
A technically strong, loyal workforce, improving productivity and efficiencies. 95% of the workforce in Egypt are local employees. Approximately 50% of the Heads of Department roles are occupied by Egyptians at Sukari, demonstrating strong professional development.

Outcome

Investment in our people contributes to achieving a strong and more reliable overall performance, while indirectly contributing to the wellbeing and standard of living of our workforce families and local communities, in turn creating a multiplier effect driving socio-economic development within our host countries.

Strategy in action

Active growth pipeline



7.25Moz
Sukari
reserve, with
underground
exceeding
reserve
replacement

58% mineral
resource
upgrade at
Doropo, PEA
underway

650koz
maiden mineral
resource
delineated at
ABC

2,560m of
Cleopatra
development
decline
completed,
producing
9koz gold

Our business starts and ends with geology.
Exploration is at the heart of everything we do.

Portfolio management: Our focus is on our core business and driving operational efficiencies, while at the same time, steadily unlocking value from our highly prospective West African land package.

Uncompromising prudent management of our balance sheet has meant we can continue to invest in cyclical downturns. Investment in exploration, talented geologists and technology are all fundamental to creating value through successful discovery of orebodies, development and mining. Ensuring we attract talented local workforce gives us the jurisdictional and geological expertise necessary to strengthening our presence in the established and highly prospective growth areas we operate in.

Top of the crushed ore stockpile at Sukari.

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
- Regional exploration programme over the Sukari tenement
- Resource expansion and project evaluation at Doropo, Côte d'Ivoire
- Resource expansion and project evaluation at Batie West, Burkina Faso
- Resource expansion and regional exploration at ABC Project, Côte d'Ivoire
- Continue to evaluate selective M&A opportunities with the potential to develop low-cost projects
- Expand landholding in operating jurisdictions

MEDIUM TERM (3-5 YEARS)

- Maximise sustainable production profile at Sukari by fully unlocking underground potential
- Development and first production in West Africa, 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



Strategy in action

Sustainability



Developing a sustainable business
that is strategically imperative.

People are fundamental to the success of our business. Centamin is a multijurisdictional business, structured with regional hubs and thereby employing and contributing locally. This lends itself to a cultural, ethnic and gender diverse global workforce.

We are committed to protecting our people, our supply chain and the communities we work in, as well as the assets we discover, design, build, operate and maintain.

Health and safety

Our aspiration is for zero work-related incidents. We want to protect and improve the health of our workforce (direct employees and contractors) and the communities we operate within.

Environment

We aim to prevent, control and mitigate our impact on the environment and help to educate our workforce and local community on ways to improve resource usage.

Tree plantation in West Africa.

CASE STUDY

Investing in future generations

As the only operating gold mine in Egypt, Centamin workplace training and employee development are part of the foundation the Company was built on. Egypt has a very high literacy rate and provides access to a well-educated workforce to train in the technical skills of modern mining. Today, over 95% of our workforce at Sukari is Egyptian, operating a Tier 1 global gold mine.

How we responded

To encourage the next generation of geologists, the Company has created two university grants:

- The Richard Osman Memorial Fund, in memory of a friend, colleague and passionate geologist. The scholarship offers full financial aid to two outstanding masters students each year at the University of Exeter, Camborne School of Mines in the United Kingdom, pursuing a degree in MSc in Mining and Geology, including practical experience in the field at our operations.

- The Michael Kriewaldt Scholarship was structured in conjunction with the Company’s founder, Sami El-Raghy. The grant sponsors an outstanding geology major student at the University of Alexandria Faculty of Science in Egypt, to enrol at the postgraduate research programme of the geology department of the university for their MSc and/or PhD in mining and mineral resources.

Results

Today, from a shortlist of eight outstanding candidates, two were offered scholarship funding as part of The Richard Osman Memorial Fund. A selection process for candidates in Egypt is currently underway.

2018 PERFORMANCE

- Reduced LTIFR by 76%
- 33% reduction in all environmental incidents
- No major environmental incidents
- Increased community direct investment
- Set up scholarship programmes for geology students at University of Alexandria, Egypt and at the Camborne School of Mines, Exeter University, United Kingdom (see case study)
- Report in line with Global Reporting Initiatives
- Completed competitive tender process for solar developer, appointed Bre-Gen
- Developed new grievance mechanism

2019 OBJECTIVES

- Reduce LTIFR, targeting zero-harm workplace
- Complete 40MW(AC) solar farm feasibility study (subject to Board capital allocation approval in 2019, using a lower-risk, modular build and implementation approach, starting with 15MW(AC))
- Reduce reliance on fossil fuels
- Reduce CO₂ emissions
- Improve operational energy efficiencies: training to improve equipment productivity
- Improve water usage efficiency; targeting a 50:50 balanced water circuit

Key performance indicators

Centamin sets KPI targets and assesses performance against these benchmarks on a regular basis.

Gold production (Ounces)

2018	472,418
2017	544,658
2016	551,036

-13%



Link to strategy:
Asset quality, Stakeholder returns,
Financial flexibility

Definition

Gold production is our primary output. It is the cumulative number of gold ounces produced from our Sukari operation and one of the key measures to track progress made in increasing our productivity levels.

Performance

Gold production for 2018 was 472,418 ounces, a 13% reduction on the prior year (2017: 544,658oz) driven by lower than expected grade from open pit and underground.

Outlook

Forecast gold production for 2019 of 490,000 to 520,000 ounces.

Cash costs of production⁽¹⁾ (US\$ per ounce produced)

2018	624
2017	554
2016	513

+13%



Link to strategy:
Financial flexibility, Stakeholder returns

Definition

Cash cost of production per ounce is a non-GAAP 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.

Performance

Cash costs of production increased to US\$624 per ounce produced on the prior year (2017: US\$554), driven predominantly by a 15% decrease in gold ounces produced (excluding Cleopatra), an increase in mined and processed tonnes and an increase in fuel and reagent costs.

Outlook

Targeted range of US\$675 to US\$725 cash cost of production per ounce.

All-in sustaining cost⁽¹⁾ (US\$ per ounce sold)

2018	884
2017	790
2016	694

+12%



Link to strategy:
Financial flexibility, Stakeholder returns

Definition

AISC, a non-GAAP measure, 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.

Performance

AISC of US\$884 per ounce sold was below our forecast, but was an increase on the prior year (2017: US\$790), mainly due to a 12% decrease in gold ounces sold (excluding Cleopatra), increased production costs and higher sustaining capital costs resulting from planned fleet rebuilds.

Outlook

Targeted range of US\$890 to US\$950 per ounce all-in sustaining cost.

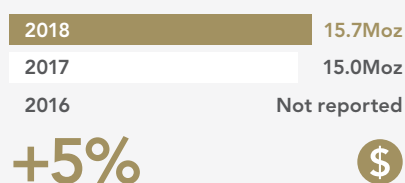
⁽¹⁾ Links to Executive remuneration through the bonus structure and/or long term performance share plan.

(1) Cash cost of production, AISC, EBITDA and cash, bullion on hand, gold sales receivables, financial assets at fair value through other comprehensive income and free cash flow are non-GAAP measures and are defined at the end of the financial review section.



Sukari Open Pit

Mineral resources (Ounces)



Definition

Extending mine life through brownfield exploration and new discoveries from greenfield exploration contribute to the Company's long term growth prospects.

Performance

Exploration success delivered Sukari underground reserve growth in excess of mining depletion, significant resource upgrade at Doropo and declared a maiden resource at the greenfield ABC Project.

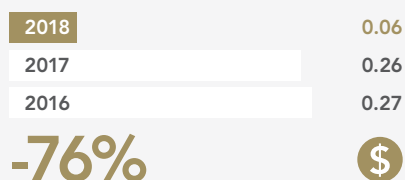
Outlook

Target underground reserve replacement and resource growth through effective utilisation of exploration budgets.

Link to strategy:

Active growth pipeline, Asset quality, Financial flexibility, Stakeholder returns

Reduction in global LTIFR (per 200,000 hours worked)



Definition

Global lost time injury frequency rate across Sukari, Burkina Faso and Côte d'Ivoire per 200,000 hours worked.

Performance

In 2018, the LTIFR for Sukari was 0.07 (Group LTIFR of 0.06) per 200,000 hours worked (2017: 0.26), with a total of 5,784,130 hours worked (2017: 5,464,321).

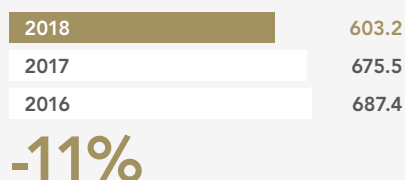
Outlook

Centamin remains committed to further improving health and safety during 2019 towards our zero-harm target.

Link to strategy:

Sustainability, Asset quality, Stakeholder returns

Revenue (US\$ million)



Definition

Top-line indicator, heavily depends on commodity prices but also driven by delivery of production volumes.

Revenue is measured at the fair value of the consideration received or receivable for goods in the normal course of business.

Performance

2018 revenues of US\$603 million were down 11% on the prior year (2017: US\$676 million) with a 0.5% increase in realised gold prices offset by a decrease in gold sales.

Outlook

Centamin's target is to earn revenue in accordance with forecasted production targets.

Link to strategy:

Asset quality, Financial flexibility, Stakeholder returns, Active growth pipeline

Key performance indicators continued

Mine production costs (US\$ million)

Year	Value (US\$ million)	Change (%)	Definition	Performance	Outlook
2018	328.1	+7%	Definition Top-line indicator of the open pit, underground, processing and maintenance cost to produce and sell gold produced, driven by production volumes and commodity prices.	Performance US\$20.5 million increase in total mine production costs from US\$307.6 million to US\$328.1 million, due to a 10% increase in mined tonnes combined with a 4% increase in processed tonnes and an increase in unit costs mainly due to reduced production of ounces, increased fuel and reagent costs.	Outlook Centamin's target is to control costs in accordance with budgets and forecasted production targets.
2017	307.6				
2016	288.3				

Link to strategy:
Financial flexibility, Stakeholder returns

Adjusted EBITDA⁽¹⁾ (US\$ million)

Year	Value (US\$ million)	Change (%)	Definition	Performance	Outlook
2018	257.9	-17%	Definition Adjusted EBITDA is a non-GAAP financial measure which excludes the following from profit before tax: <ul style="list-style-type: none"> • finance costs; • finance income; • depreciation and amortisation; and • impairments of non-current assets. 	Performance Adjusted EBITDA decreased by 17% to US\$258 million, as a result of increased production and operating costs and an 11% decrease in revenues.	Outlook Centamin's target is to generate EBITDA in accordance with budgets and forecasted production targets.
2017	309.2				
2016	331.0				

Link to strategy:
Financial flexibility, Stakeholder returns

Free cash flow⁽¹⁾ (US\$ million)

Year	Value (US\$ million)	Change (%)	Definition	Performance	Outlook
2018	63.4	-56%	Definition 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.	Performance Free cash flow of US\$63.4 million generated in 2018, down 56% on the prior year (2017: US\$146 million) almost entirely due to lower production, the increase in fuel and reagent costs and the increase in the share of distributions to the NCI from 1 July 2018 in accordance with the Concession Agreement, although absolute distributions decreased on 2017.	Outlook Centamin's target is to generate free cash flow in accordance with budgets and forecasted production targets.
2017	145.6				
2016	243.7				

Link to strategy:
Asset quality, Financial flexibility, Stakeholder returns, Active growth pipeline

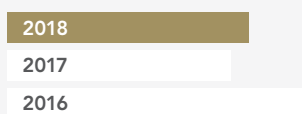
⌘ Links to Executive remuneration through the bonus structure and/or long term performance share plan.

(1) Cash cost of production, AISC, EBITDA and cash, bullion on hand, gold sales receivables, financial assets at fair value through other comprehensive income and free cash flow are non-GAAP measures and are defined at the end of the Financial Review section.



Drill rig in West Africa.

Sustaining capital expenditure (US\$ million)



+8%

89.2
82.5
111.2
\$

Definition

Efficient use of capital to sustain and develop existing operations at Sukari.

Performance

US\$89.2 million spent in 2018 (2017: US\$82.5 million) of which US\$6 million was spent on underground exploration, US\$37.2 million on underground mine development and rebuilds of US\$30 million and US\$16 million other sustaining capital expenditure.

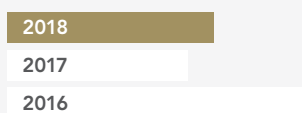
Outlook

Centamin's target is to manage and spend the sustaining capital budget in accordance with achieving its forecasted production targets and extending the life of its assets.

Link to strategy:

Active growth pipeline, Asset quality, Financial flexibility, Stakeholder returns

Exploration expenditure (non-sustaining) across Sukari and West Africa (US\$ million)



+12%

28.6
24.9
41.8
\$

Definition

Non-sustaining exploration expenditure to generate growth through existing and future exploration projects in Burkina Faso, Côte d'Ivoire and Egypt (currently Cleopatra).

Performance

US\$21.0 million was spent on West African exploration (US\$5.2 million on Burkina Faso and US\$15.8 million on Côte d'Ivoire) and US\$7.6 million on Cleopatra.

Outlook

Centamin's target is to continue exploration work in accordance with plans and budgets to increase global resources.

Link to strategy:

Active growth pipeline, Asset quality, Financial flexibility, Stakeholder returns

Risk management

Risk management allows the Group to improve its decision making process and deliver its objectives.

Mark Arnesen

Chairman of the Audit and Risk Committee



- RISK MANAGEMENT IN 2019:**
- holding workshops with our workforce to embed our values and cultural identity as a leading operator, dedicated to improving health, safety and wellbeing;
 - quarterly reporting by each operating unit following structure risk meetings;
 - management assessment of risks across all central functions and operational locations;
 - Audit and Risk Committee oversight of operational and corporate risks;
 - Board assessment of principal and emerging risks; and
 - strategy day for the Board to consider risks and opportunities and further understand the collective and individual risk appetite.

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.

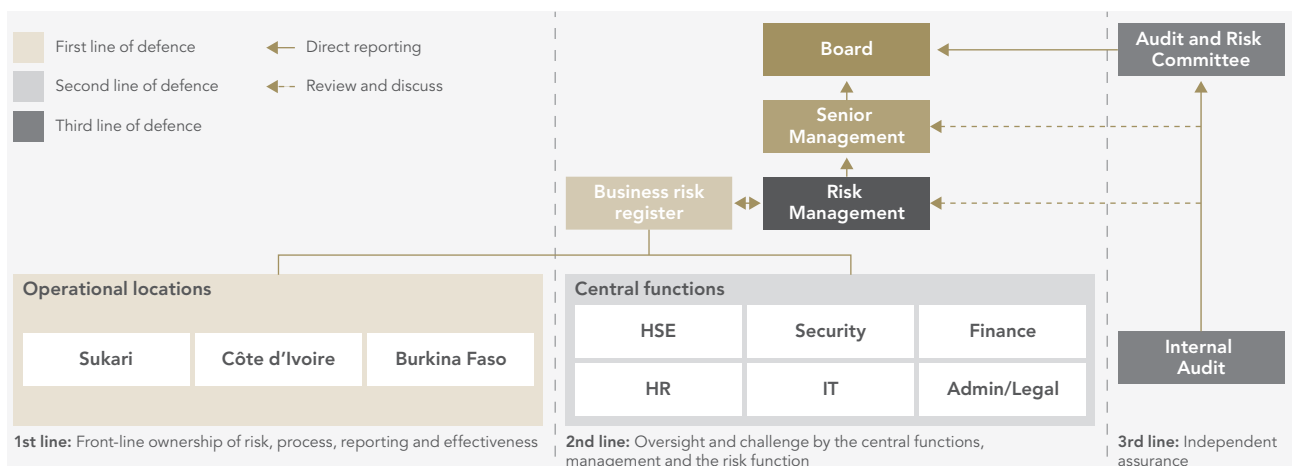
The Board of Centamin plc (the "Board") has overall responsibility for establishing a robust risk management framework that allows for the assessment and management of material strategic and operational risks. In addition, the Board is responsible for articulating the Group's risk appetite against the principal risks.

The 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 Group's risk management framework (the "Framework") outlines the business approach and process for management of risk.

Risk oversight and accountability

As shown in the table and diagram below, ultimate accountability for risk management lies with the Board, supported by the Audit and Risk Committee. We have acknowledged the importance of developing our approach to risk management and continue to engage with PwC to support in the development of a framework allowing identification, assessment, mitigation and monitoring of risks throughout the business. This has been developed to ensure we have in place the three clear lines of defence, whilst ensuring the information that flows from the reporting lines is relevant and timely and can genuinely support the Board's strategic decisions.



RISK OVERSIGHT	ROLES AND RESPONSIBILITY
Board	Ultimate responsibility for risk management and communicating the Framework
Audit and Risk Committee	Independently reviews the adequacy and effectiveness of risk, has oversight of the policies setting the Framework and oversees the implementation of risk management
Executive/Senior Management	Responsible for ensuring that each of the operations and Group functions implements the Framework
Operations	Responsible for implementing the Framework and providing assurance to the Executive
Central functions	Provide assurance to the Executive and have oversight and review of common risk areas relating to their key functions
Risk Committee	The Executive consolidates, challenges and reports on all risk management information, providing support and guidance to management to develop and co-ordinate the system of risk management
Internal Audit	Provides assurance to senior management and the Audit and Risk Committee on the effectiveness of the Framework and how that has been applied across the business

Risk reporting

Further details of the work of the Audit and Risk Committee are set out in the audit and risk report along with details of the internal risk reporting. Importantly, a key area of focus will be in developing a fresh reporting platform, developed from an operational level up through the reporting channels, to enhance the information provided to the Board and to aid decision making.

The Executive and senior management review, challenge and monitor ongoing risks on a day-to-day basis. The consolidation and analysis of this information is assessed on a quarterly basis and reported to the Board through the Audit and Risk Committee.

Emerging risks

Due in part 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 and Board regularly review the principal risks as well as the wider operational, corporate and general business risks.

Management consider the business reports and risk registers as well as full details and corrective actions of all high level incidents, leading indicators hazard identification and any resulting procedural changes.

Periodic incident and other operational reports, updates to the operational risk registers and regular communication with the site GM allow management to assess emerging risks or secondary risks that may elevate to principal risks. By identifying emerging risks or changes in the secondary or tertiary risk registers early, management are able to consider policy or procedural changes to mitigate the risk. Additional resources or training needs may be identified. At an operational level, opportunities may exist to improve the safety environment and efficiency of the operations. Opportunities may also exist at a strategic or corporate level and will be discussed in the context of wider strategy setting. The use of insurance, consultants and specialists to help mitigate risks may also be an option.

During the year the following emerging risks were considered:

- Corporate action:**
 Risk impact: secondary to the principal risks and remains at a level of elevated status.
 As a listed company, management must be ready to evaluate approaches and opportunities to ensure value for shareholders is maintained and enhanced. The mining industry has recently seen a number of high-profile mergers and consolidations over the year and the Board needs to review any approaches and opportunities so as to ensure the interests of shareholders are protected. Management prepare long term models which support the valuation of the Company.
- Governance and regulation:**
 Risk impact: secondary to the principal risks and remains at a level of elevated status.
 Compliance with the regulatory and legal environment has the potential for significant negative publicity in including fines and penalties and reputational risk. The regulatory reviews can demand significant time commitments on management and Directors. The management team ensures it has access to legal, regulatory and compliance support across the jurisdictions.

Risk management continued

Emerging risks continued

- **Business development:**

Risk impact: opportunities to develop and grow the business.

Egypt continues to represent a significant opportunity for exploration and future development. As the country's only modern gold mine, the Company's knowledge and expertise is a potential advantage to Centamin. The opportunity has been enhanced as the government makes progress towards a new mining law and new commercial terms for exploration in the region. The Executive and management team are monitoring progress and ensuring close dialogue with government officials are maintained.

- **Capital projects:**

Risk impact: emerging risk to ensure management of capital.

Ensuring capital projects are managed within time and budget is an emerging risk, as the Company considers major capital projects. These include the potential Solar plant at Sukari, the development of the new tailings storage facility and feasibility studies to assess the viability of an operation in Côte d'Ivoire. Careful management of these projects, the teams and the capital allocation will be imperative.

- **Local security – West Africa:**

Risk impact: emerging risk to ensure safety of employees.

Increased militant activity in West Africa has caused concern for safety in-country. This will be monitored closely and local Gendarmes and Centamin security personnel are being consulted.

- **Retention of personnel**

Risk impact: emerging risk to ensure we retain, attract and motivate employees.

There have been a number of key changes over the last twelve months in key personnel across senior roles. This is a natural transition as we replace General Managers and fill vacancy needs. However, management of changes in senior positions needs to be managed carefully, to ensure consistent delivery of the Company's values and that the workforce remains well supported.

- **Tailing Storage Facility ("TSF")**

Risk impact: heightened awareness in the industry.

Following recent high-profile incidents in the mining sector there has been an increased interest from stakeholders in understanding the level of risk associated with mining companies' tailings facilities. The Sukari South TSF is lined to reduce the impact of any seepage or contamination of soil and groundwater. It is reviewed according to regulatory and internal requirements, and water samples taken from adjacent wells and boreholes to monitor for seepage. Centamin's Geotechnical department conducts internal and external technical reviews of the tailings storage facility on a regular basis. It is also inspected on a regular basis by independent consultants and the latest inspection was carried out in November 2018. The latest review confirmed the structural integrity of the TSF, however the lower water recycling off the TSF in 2018 has created an excess of water above acceptable levels and managing this water off the TSF is being managed over the next six months.

Centamin has no history of tailings failures, but as a matter of policy Sukari has an emergency action plan for potential failures that are reviewed at a regular intervals. It is important to note that the nearest external community, Marsa Alam, is located approximately 35km away from the TSF and not in the catchment area in the event of a dam failure. During 2018, Centamin also commenced a study to design an additional TSF at Sukari. This will be an active downstream dam with targeted completion in 2024.

Risk appetite

This report covers the Board's assessment of the Company's risk appetite, principal risks and viability statement.

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 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 of incidents.

The Group's risks may change over time, as will the Group's risk appetite, 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. Ongoing management of the adequacy of the level of mitigation is also important. The risk management framework provides a continuous reporting cycle throughout the business, allowing the Board to re-assess and communicate the Company's approach to risk internally and externally.

Principal risks

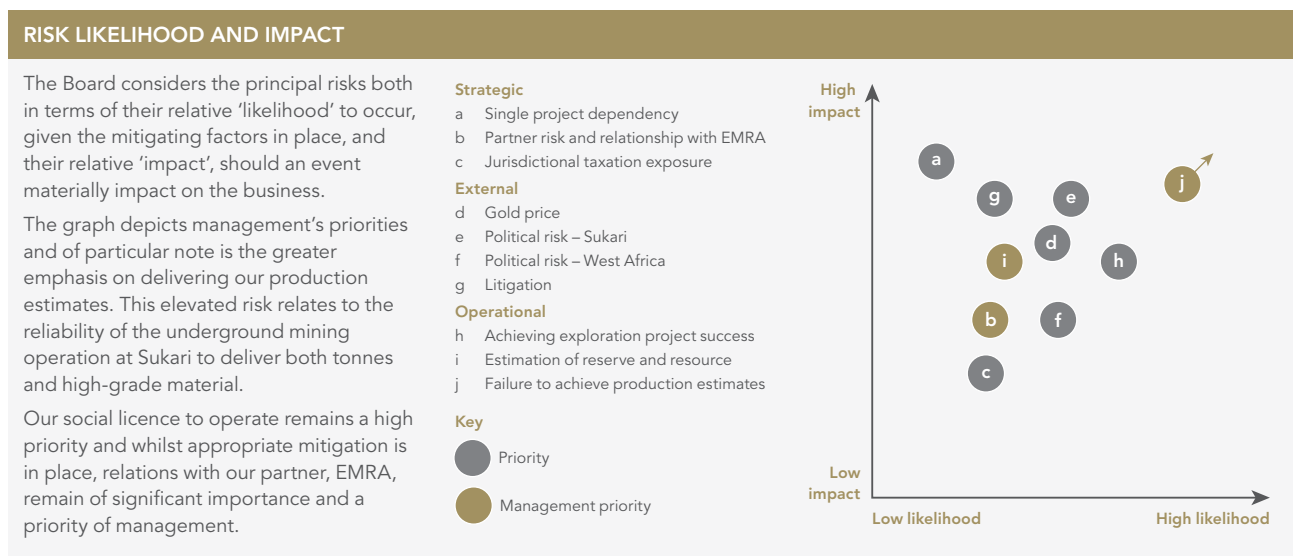
Centamin takes a number of measures to mitigate risks associated with its underlying operational and exploration activity which are monitored and evaluated regularly. Due to the nature of these inherent risks, it is not possible to give absolute assurance that mitigating actions will be wholly effective.

During the year the Company experienced two major production downgrades which significantly impacted on the Company's share price. The principal risk in 'achieving production estimates' was elevated to 'high' until the operation demonstrates a return to steady state production. The oversight included ongoing detailed evaluation of the technical services capability onsite and personnel requirements. At a financial level, the significant change in share price triggered a full impairment test – details and related assumptions are set out in the financial statements in section 1.1.2. Further details of the matters in connection with the operational challenges experienced in 2018 are set out in the CEO statement and operational review.










Of particular note is the susceptibility of a change in the estimated average grade delivered from the underground operation at Sukari. A reduction in grade can significantly affect production levels, which could have a material impact of annual production guidance. The quality of personnel, management and oversight in preparing and delivering the mine plan can all significantly impact the reliability and successful extraction of high-grade material.

The current status of the principal risks affecting Centamin and its operational and exploration activities, together with the measures to mitigate risk, are detailed in the section 'principal risks'.






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.



Risk management continued

Principal risk	Trend	Nature of risk
<p>STRATEGIC RISK Loss of revenue due to single project dependency</p> <p>Owner Executive: CEO</p> <p>Link to strategy  </p>		<p>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.</p> <p>Until further production growth beyond Sukari is identified, the potential impact remains high and safeguarding the project is paramount to the Company.</p>
<p>STRATEGIC RISK Sukari Gold Mine relationship with our partners EMRA</p> <p>Owner Executive: Chairman, CEO, CFO Operational: GM</p> <p>Link to strategy   </p>		<p>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.</p> <p>The successful management of the Sukari Gold Mine is in part dependent on maintaining a good working relationship with EMRA. The Group has regular meetings with officials from EMRA and invests time in liaising with relevant ministry and other governmental representatives.</p>
<p>STRATEGIC RISK Jurisdictional taxation exposure</p> <p>Owner Executive: CEO, CFO</p> <p>Link to strategy </p>		<p>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.</p>





Key:

-  Asset quality
-  Stakeholder returns
-  Sustainability
-  Financial flexibility
-  Active growth pipeline

I Improved **N** Neutral **H** High

Mitigation	Company objective/strategy	Risk appetite
<p>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.</p>	<p>At Sukari, the process plant has been designed with sufficient resilience and redundancies within the operating cycle.</p> <p>The exploration projects across the business provide 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.</p>	<p>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.</p>
<p>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.</p>	<p>A key objective of the Company is to maintain our social licence to operate. This 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.</p>	<p>Risk appetite is at an acceptable level, with appropriate levels of mitigation in place.</p>
<p>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.</p>	<p>To minimise the complexity of the corporate structures ensuring tax neutrality within the holding group entities.</p>	<p>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.</p>







Risk management continued

Principal risk	Trend	Nature of risk
<p>EXTERNAL RISK Gold price</p> <p>Owner Executive: CEO, CFO</p> <p>Link to strategy </p>	<p>N</p>	<p>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.</p> <p>Centamin manages its exposure to gold price by keeping operating costs as low as possible.</p>
<p>EXTERNAL RISK Political risk – Sukari</p> <p>Owner Executive: Chairman, CEO Operational: GM – Egyptian operations</p> <p>Link to strategy </p>	<p>N</p>	<p>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.</p> <p>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.</p>
<p>EXTERNAL RISK Political risk – West Africa</p> <p>Owner Executive: CEO Operational: GM, Group Exploration Manager</p> <p>Link to strategy </p>	<p>N</p>	<p>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.</p>
<p>EXTERNAL RISK Litigation</p> <p>Owner Executive: Chairman, CEO and CFO</p> <p>Link to strategy </p>	<p>N</p>	<p>Centamin's finances, and its ability to operate in Egypt, may be severely adversely affected by current and any future litigation proceedings and it is possible that further litigation could be initiated against Centamin at any time. Centamin is currently involved in litigation that relates both to (a) the validity of its exploitation lease at Sukari and (b) the price at which it can purchase Diesel Fuel Oil.</p>






I Improved **N** Neutral **H** High

Mitigation	Company objective/strategy	Risk appetite
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.
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.
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.
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.

Risk management continued

Principal risk	Trend	Nature of risk
<p>OPERATIONAL RISK Failure to achieve exploration development success</p> <p>Owner Executive: CEO, CFO Operational: GM, Group Exploration Manager</p> <p>Link to strategy </p>	<p>N</p>	<p>Time and costs of brownfields exploration activity are recognised as exploration and evaluation assets ("E&E assets") on the statement of financial position. E&E assets continue to be carried on the balance sheet where there is ongoing planned activity and the right of tenure is current.</p> <p>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.</p>
<p>OPERATIONAL RISK Reserve and resource estimate</p> <p>Owner Executive: CEO Operational: GM, Group Exploration Manager</p> <p>Link to strategy  </p>	<p>N</p>	<p>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.</p>
<p>OPERATIONAL RISK Failure to achieve production estimates</p> <p>Owner Executive: CEO Operational: GM</p> <p>Link to strategy   </p>	<p>H</p>	<p>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.</p>

Key:

-  Asset quality
-  Stakeholder returns
-  Sustainability
-  Financial flexibility
-  Active growth pipeline

I Improved **N** Neutral **H** High

Mitigation	Company objective/strategy	Risk appetite
<p>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.</p>	<p>To ensure a progressive pipeline of greenfield and advance-stage exploration projects to serve the next stage of growth for the Company.</p> <p>Ensure systematic exploration programmes are carried out with costs attributed to licence areas and prospects so that they can be assessed for impairment.</p>	<p>The Company operates its exploration programmes within acceptable risk appetite parameters.</p>
<p>Management has implemented processes to continuously monitor and evaluate the current life of the Sukari Gold Mine, mine plans and production targets. The most recent technical report was completed in Form 43-101 dated 23 October 2015 and is available at www.sedar.com. The latest updated reserve and resource statement for Sukari was announced on 25 February 2019. Preliminary resource statements have been provided for Doropo and the ABC Project in Côte d’Ivoire as well as Konkera in Burkina Faso.</p>	<p>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.</p>	<p>The Company operates within acceptable risk appetite parameters.</p>
<p>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. In 2018 there were a number of production challenges resulting in two downgrades which had a significant impact on the share price. Steps have been taken to further mitigate and improve on estimating guidance and an evaluation of the systems and controls, particularly of mine planning, grades and assesses is underway.</p>	<p>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.</p>	<p>The Company operates within acceptable risk appetite parameters.</p>

Risk management continued

Viability statement

In accordance with provision C.2.2 of the 2016 UK Corporate Governance Code (the "2016 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 January 2019 which reviewed the longer term viability of the Company. The review assessed the Company's position and progress against our strategic pillars of sustainability, asset quality, financial flexibility, stakeholder returns and an active growth pipeline. The strategic focus areas are set out on page 22. 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 2023.

The review, which included the presentation and approval of the budget, received final Board approval on 25 February 2019. 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. Sukari's long term sustainability was reconfirmed by the R&R update announced on 25 February 2019 which demonstrated the ability to replace high-grade underground reserves and the open pit has a mine life in excess of 15 years.

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 budget process, which pulls heavily on the R&R data, includes key assumptions related directly to our significant risks, our strategy and risk appetite which 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-hour-a-day, seven-days-a-week operation with an estimated plant nameplate throughput capacity of 12Mtpa, a level which Sukari often exceeds. The process plant recovery rates are targeting 89% in 2019. Maintaining and improving productivity is fundamental to our business and long term strategy; and
- social licence to operate: relations with our partners, EMRA, remain strong and this relationship continues to strengthen with the onset of profit sharing. Government relations in West Africa will also be prioritised as we undertake more detailed feasibility studies.

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 February 2019 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 31 December 2023.

In preparing budgetary information and forecasts, the Group considers the principal risks and wider corporate and operational risks. Of the principal risks identified, those with the most potential to impact negatively upon the Company's ongoing viability include the gold price, the relationship with its 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 other presentations, can be viewed on the Company's website, which contains the latest 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 2023 and the material inputs and assumptions remain consistent with the conclusions set out in the viability statement in the 2017 annual report. However, notably, the updated reserve and resource statement at 30 June 2018 (announced on 25 February 2019) supports the longevity of the open pit operation and upside potential of the underground operation at Sukari (see R&R statements in the operational report). The relationship with our 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 42 to 47 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.

Operational review

Centamin remains committed to further improving health and safety during 2019 towards our zero-harm target.

Andrew Pardey

Chief Executive Officer



Our operational track record is one of the key measures that marks our progress. This is underpinned by an entrepreneurial culture, striving to find improvements across all sections of the mine. In 2018, challenges experienced in the open pit and underground mining operations impacted the total volume produced. Consequently, record material mined from the open pit and underground and record ore processed are a few parameters demonstrating the increased productivity achieved.

Health and safety

Workplace health and safety is central to our culture. The daily onsite departmental meeting begins with a discussion on HSES matters as the topmost priority.

In 2018, the LTIFR for Sukari was 0.07 (Group 0.06) per 200,000 hours worked (2017: 0.26), with a total of 5,784,130 hours worked (2017: 5,464,321).

There was a notable improvement during 2018. Improvements included implementing measures to reduce task-related hazards by ensuring that employees completed a Take 5 safety

checklist prior to starting any job or by conducting a Job Safety Analysis for all non-routine tasks. There was an improvement in the follow up and close out of corrective actions and recommendations that were raised from incident investigations by ensuring that actions were physically verified before closing out. Additional programmes to promote safety leadership were implemented which included a weekly, General Manager led, HSES dominated review of different areas.

Centamin remains committed to further improving health and safety during 2019 towards our zero-harm target. Further details of the safety initiatives, employee welfare and relevant government relations are set out in the CSR report.

Production

Gold production for 2018 was 472,418 ounces, a 13% reduction on the prior year (2017: 544,658 ounces) driven by lower than expected grade from open pit and underground.

The open pit operations produced 239,687 ounces, a 13% reduction on the prior year (2017: 274,017 ounces)

and the underground operations produced 211,250 ounces, an 18% reduction on the prior year (2017: 257,100 ounces). The dump leach operations produced 15,219 ounces, a 77% increase on the prior year (2017: 8,597 ounces) resulting from the increased material delivered to the dump leach as open pit mining progressed through the upper levels of Stage 4. Cleopatra underground decline development in porphyry resulted in the production of 8,959 ounces (2017: 4,944 ounces).

Full-year production guidance was revised during 2018 in response to operational challenges faced: lower grades delivered from the open pit in the first half of 2018, as mining progressed through the transitional zone; disruption to the underground stope sequence in Q2, resulting from a damaged rig; and unplanned dilution from the cascading stopes in the Amun underground. The Company identified, evaluated and implemented solutions, reporting and monitoring results throughout the year, the results of which are reported here and throughout the year.



Underground exploration drilling.

IDENTIFY	EVALUATE	IMPLEMENT SOLUTIONS	RESULTS AND MONITORING
FACTORS IMPACTING PERFORMANCE	CAUSE	RESPONSE	OUTCOME
Open pit grade	<ul style="list-style-type: none"> Transitional zone thicker than expected with lower than expected grades 	<ul style="list-style-type: none"> Enhanced grade control drilling Personnel change Increase mining rates and volumes to access sulphides as efficiently (time and cost) as possible 	<ul style="list-style-type: none"> Stage 4 mining of the transitional zone completed in Q3 20% increase in ore tonnes, driving a significant increase in stockpile inventory Effective scheduling resulted in less trucks utilised to move record material
Underground stope tonnage	<ul style="list-style-type: none"> Long hole drill rig (“LHDR”) damaged, causing disruptions and temporary suspension of stoping Increased volume of cascade stoping (bulk tonnage mining method) leading to increased dilution 	<ul style="list-style-type: none"> Repaired LHDR Deferred stoping sequence, did not sterilise any stopes Backup LHDR ordered Assessed alternative mining methods Personnel changes Installation of CHF backfill plant 	<ul style="list-style-type: none"> LHDR fully operational; no equipment utilisation or availability issues to report Second LHDR operational Reduction in total tonnage impacted by cascading stoping, increasing mined ore grade Stope stability
Underground development grade	<ul style="list-style-type: none"> Increased development tonnages due to lower stoping production 	<ul style="list-style-type: none"> Personnel changes Staged implementation of underground planning, design and scheduling software, Deswik 	<ul style="list-style-type: none"> Multiple new technical appointments Deswik integration underway
Underground stope grade	<ul style="list-style-type: none"> Greater than expected dilution from high-volume mining method (cascade stope mining) 	<ul style="list-style-type: none"> Reducing contribution from higher dilution mining methods Improved controls continue to be implemented Personnel changes Installation of CHF backfill plant 	<ul style="list-style-type: none"> Good initial improvement in operational efficiencies Core focus, to achieve optimal results Stope stability

Operational review continued

In 2019, annual production guidance is expected to be 490,000 – 520,000 ounces, supported by a robust updated life of mine plan and ongoing focus on improving operational efficiencies, in particular resolving the ongoing impact of unplanned dilution and mitigating future risks.

Costs

The cash costs of production for 2018 was US\$624 per ounce produced, a 13% increase on the prior year, and the all-in sustaining cost was US\$884 per ounce sold, a 12% increase on the prior year, due to lower volume of gold produced and sold year-on-year. Both were in line with market guidance.

In 2019, cash cost of production is expected to be between US\$675-US\$725 per ounce produced and all-in sustaining cost ("AISC") between US\$890-US\$950 per ounce sold. Increase in forecast costs account for increased volumes mined. Focus remains on progressing long and near-term cost savings initiatives.

Open pit

The open pit delivered total material movement of 77.9Mt, a 10% increase on the prior year (2017: 70.9Mt). This increase was related to opening up mining in two main areas – Stage 4North and 4West, coupled with good equipment availabilities and focus on increasing equipment utilisation.

Ore mined from the open pit was 23.1Mt at 0.60 g/t, a 44% increase on the prior year (2017: 16.1Mt), due to increased volumes mined from the transitional zone of Stage 4. The open pit delivered 11.1Mt of ore at an average feed grade of 0.76g/t to the plant and 2.0Mt at an average grade of 0.37g/t to the dump leach pads.

The mine ROM ore stockpile increased from 2.18Mt (at 0.51g/t) at 31 December 2017, to 12.22Mt (at 0.47g/t) at 31 December 2018, with 7.7 Mt at 0.44g/t now classified as longer term stockpiles and including 1.6Mt at 0.37g/t expensed due to the change in stockpiles cut-off grade.

The strip ratio was 2.37, a reduction from 3.4 in 2017, based primarily on the increased tonnage of low-grade and dump leach material mined.

In 2019, total ore volumes mined are expected to be approximately 50% lower and strip ratio is scheduled to increase to 5.85:1, as the orebody tightens with depth. Mining will continue to focus on Stage 4, scheduled to deliver on average 1.0g/t ore. Early stage preparatory waste stripping will commence on Stage 5 during 2019, delivering small volumes of low-grade material. Stage 4 will continue to be the primary source of ore into 2020 and 2021, when Stage 5 fully comes into production.

Underground mine

The underground mine produced 1.24Mt of ore, a 9% increase on the prior year (2017: 1.14Mt). Ore from stoping accounted for 59% (0.74Mt) of the total, with the balance of ore (0.50Mt) from development. The average mined head grade was 5.69g/t, comprising 6.5g/t from stoping (2017: 8.9g/t) and 4.5g/t from development (2017: 7.4g/t), a 27% and 39% decrease, respectively, on the prior year.

Underground development advanced 7,349 metres, comprising 3,459 metres in Amun and 3,741 metres in Ptah. A further 149 metres was developed in the Horus Decline (which is accessed from the bottom of the Amun Decline) to just below the 590 Level. The Ptah Decline was progressed 247 metres to just below the 590 Level, which is nearly 500 metres vertically below the portal.

Production equipment availability and utilisation issues were experienced at the end of Q1, and early Q2, predominantly due to recurring damage to the long hole drill rig ("LHDR"), reducing stoping volumes and leading to an increased mix of lower-grade ore-drive development tonnes.

As the year progressed, stope production increased such that by year end, production was weighted 59% stoping and 41% development. Over the course of the year, additional development was undertaken in the Amun zone, resulting in 50% more ounces produced from development than scheduled. This was due to: 1) equipment availability disruptions, and 2) delineation of additional ore along the lower Amun ore drives which were otherwise planned for completion in 2019. For the Ptah zone, development was in line with planned tonnes.

Furthermore, stope grades were impacted by greater than scheduled dilution from low-grade porphyry material in the open cascading stopes in the Amun zone. Amun stoping exceeded planned tonnage by 17% though grade was down by 23% on account of unplanned cascading stopes as a result of increased dilution. For Ptah, stope production was 47% of planned tonnage, though grade was 26% higher as lower tonnage, high-grade stopes in the Ptah sediments were prioritised over lower grade, bulk stopes.

A total of 14,073 metres of grade control drilling was completed, aimed at short term mine planning and resource development. A further 41,685 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 at the north of the Sukari porphyry. Further details and underground drilling results are discussed in the exploration review.



Sukari open pit mining operation.

In 2019, the plan for the underground mine revolves around development and stope production in the Amun and Ptah zones and to establish development in the Ptah Eastern stockworks, combined with continued development of the Horus and Ptah declines to open up new production fronts. The decline development requires increased levels of waste development throughout the year. The split of stoping to development tonnes is expected to be 75:25.

Processing

The Sukari plant processed a record 12.6Mt of ore in 2018, a 4% increase on the prior year (2017: 12.0Mt). Processing performance improved over the course of the year, reaching a record 3.2Mt processed in the fourth quarter. Plant utilisation of total time averaged 95% in 2018.

Metallurgical recovery averaged 88.7%, a 1% increase on the prior year (2017: 88.1%). Visiofroth cameras were successfully installed on the flotation circuit in plant 2 and will be installed in plant 1 in 2019.

In 2019, plant throughput is expected to be in excess of 13Mtpa. Improved feed grade delivered to the mill with further work to improve operational controls and process stability to ensure recoveries reach target rate of 89%.

Capital expenditure

In 2018, Sukari sustaining capital expenditure was US\$89.2 million with key investment attributed to underground exploration and development, scheduled fleet rebuild programme and additional crushing capacity.

Investment in technology, people and training are additional critical areas the Company continues to invest in as a way of driving improved operational performance. During 2018, we invested time and capital in technological upgrades, security and implementation of new software and systems. For example, we began the staged implementation of Deswik, a software solution which engineers a live, dynamic, centralised mine plan.

Succession planning and recruitment has been an ongoing key initiative through 2018 and will continue into 2019. A number of talented, experienced individuals have been recruited to assume key positions at Sukari, including, but not limited to:

- General Manager;
- Operations Director;
- Open Pit Geology Superintendent;
- Processing Manager;
- Supply Chain Manager;
- Technical Services Manager; and
- Underground Manager.

Total capital expenditure for Sukari in 2019 is expected to be US\$120 million, including a regional seismic exploration programme, underground exploration and development, solar feasibility study completion, underground backfill plant, North tailings storage facility engineer studies and ongoing fleet rebuild programme.

In 2019, there is a strong managerial and operational focus on improving identification and response times to deviations from the mine plan, as a means to mitigating the potential impact on performance. Technological investment in, for example, Mill Ear to listen and record activity within the mills, increasing response time and reducing potential mill liner damage, thereby increasing productivity; upgrades to the SCADA System for real time reporting and operating controls; and slope monitoring to optimise the pit wall slope angles and monitor material movement, creating a safer work environment, are but a few upgrades scheduled for implementation.

Operational review continued

	units	Year ended 31 Dec 2018	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Year ended 31 Dec 2017	Q4 2017
Open pit mining								
Total material mined	kt	77,877	21,075	19,891	18,415	18,496	70,870	17,647
Ore mined	kt	23,131	4,990	6,562	5,532	6,047	16,090	5,726
Ore grade mined	g/t Au	0.60	0.75	0.64	0.51	0.50	0.66	0.62
Ore grade milled	g/t Au	0.76	0.92	0.83	0.59	0.69	0.89	0.92
Strip ratio	waste/ore	2.37	3.22	2.03	2.33	2.06	3.40	2.08
Underground mining – Amun/Ptah								
Ore mined stoping	kt	739	199	199	180	160	684	168
Ore mined development	kt	504	115	128	109	152	461	130
Ore grade mined	g/t Au	5.69	6.21	5.18	4.62	6.69	8.28	8.79
Processing								
Ore processed	kt	12,568	3,198	3,129	3,172	3,068	12,032	3,072
Head grade	g/t Au	1.26	1.45	1.29	0.99	1.31	1.57	1.70
Gold recovery	%	88.7	89.1	88.7	87.3	89.6	88.1	88.5
Gold produced – dump leach	oz	12,522	3,445	3,894	3,028	2,155	8,597	3,119
Total gold production ⁽¹⁾	oz	472,418	137,600	117,720	92,803	124,296	544,658	154,298
Total gold sold	oz	484,322	148,851	106,798	97,628	131,045	539,726	153,490
Cash cost of production ^(2,3)	US\$'000	289,394	82,579	70,874	64,630	71,312	301,706	69,965
Unit cash cost of production ^(2,3)	US\$/oz	624	609	619	714	581	554	453
AISC ⁽³⁾	US\$'000	420,116	118,911	92,056	102,211	106,939	426,466	114,247
Unit AISC ⁽³⁾	US\$/oz	884	809	889	1,073	825	790	744
Average realised sales price	US\$/oz	1,267	1,235	1,206	1,298	1,328	1,261	1,278

(1) Gold produced is gold poured and does not include gold-in-circuit at period end.

(2) Cash cost of production excludes 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 2.7 of the financial statements for further details).

(3) 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.

Exploration review

Exploration is at the heart of everything we do; the foundation we are built upon and will remain our competitive advantage for creating future value.

Norman Bailie

Group Exploration Manager

Exploration is at the heart of everything we do; the foundation we are built upon and will remain our competitive advantage for creating future value.

Egypt

Centamin has a 160km² Concession Agreement in Southern Egypt, in the Eastern Desert. Here the Sukari Gold Mine has been explored and developed into a world-class mine. Operating in its ninth year of commercial production, there are 11Moz of mineral resources, including 7.25Moz of reserves and significant reserve and resource upside across the tenement area.

Sukari Gold Mine

In 2018, the Group carried out intensive exploration programmes across the portfolio of assets. Near mine exploration at Sukari successfully replaced underground reserves in excess of mining depletion and thereby sustaining the rolling life of mine, in addition to generating highly prospective target extensions to the existing underground and delineating previously underexplored structures within the Cleopatra zone.

Exploration drill campaign remained focused within the mine site, aiming to continue to unlock the underground resource potential at Amun, Ptah and Cleopatra. The Sukari porphyry remains open at depth and along strike and the high-grade structures within the porphyry are not fully defined.

A 40,511-metre diamond drilling programme was completed at an average cost of US\$168 per metre.

Amun/Ptah production decline

Within the existing underground operations, systematic exploration, included routine infill drilling, resource extension drilling, and drilling ahead of the current underground development designs.

Exploration within the Amun zone was focused on resource extension along the southern strike of the mine. A total of 5,535 metres were drilled from the 650 and 665 level, targeting reserve and resource extensions within the Osiris flat structure and resource extensions to the south of the Top of Horus zone. Results confirmed the high-grade consistency along the southern and western extension of the Osiris zone.

This is proximal to the current decline development drives and outside the existing reserve and resource. Top of Horus zone is still open to the south with higher grade located at the brecciated contact. This is an area of significant potential for high-grade reserve and resource growth, with further drilling scheduled in 2019.

The Osiris zone is characterised by a major, low-angle thrust rotating the major W-WNW gently dipping porphyry block. The main high-grade veins occur on the upper and lower contacts of the porphyry with high-angle steeper dipping secondary veins ramping up, linking through to the western porphyry contact. The Top of Horus forms on the contacts and develops within the steeply dipping Horus porphyry. The Top of Horus high-grade veins are typically high-angle dipping towards the Northwest. This structural setting, where the low-angle Osiris thrust caps and possibly shifts laterally the top of the sub-vertical Horus porphyry, is open up and down plunge along strike.

Exploration review continued

Sukari Gold Mine continued

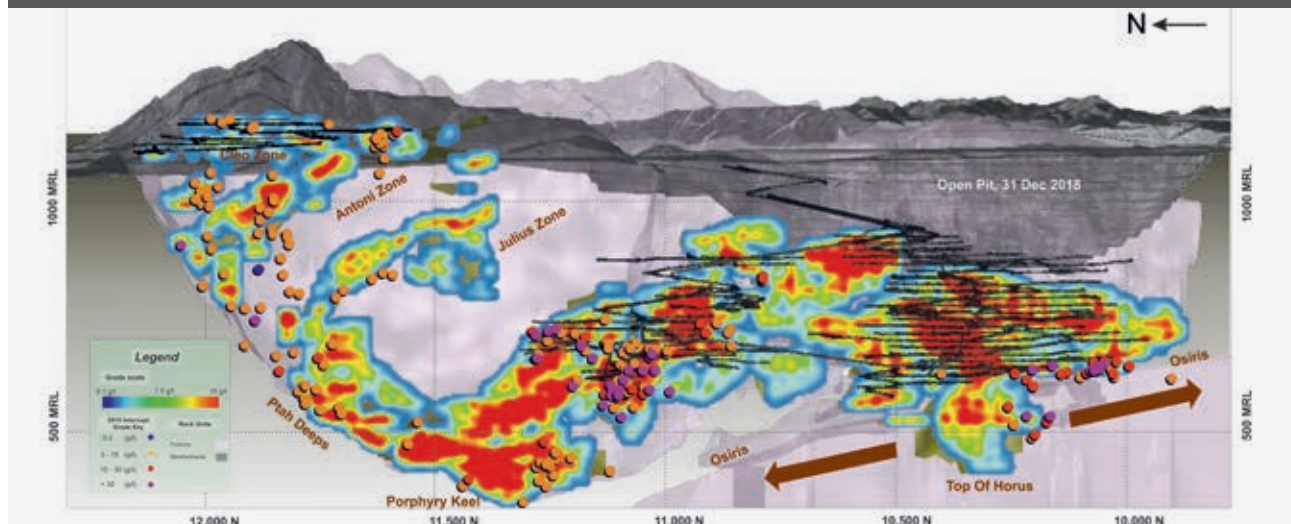
2018 Significant Amun drill intercepts (0.4g/t cut-off)

Tenement ID	Prospect ID	Hole ID	Level (mRL)	Interval (m)	Grade (Au g/t)
Sukari Gold Mine	AMUN	UGRSD0844	646.0	8.0	180.1
Sukari Gold Mine	AMUN	UGRSD0850	636.7	1.2	563.0
Sukari Gold Mine	AMUN	UGD4136	647.6	2.0	239.8
Sukari Gold Mine	AMUN	UGRSD0845	637.4	9.0	51.9
Sukari Gold Mine	AMUN	UGRSD0848	654.9	15.2	18.5
Sukari Gold Mine	AMUN	UGRSD0844	640.1	1.0	259.0
Sukari Gold Mine	AMUN	UGRSD0843	635.7	0.9	287.2
Sukari Gold Mine	AMUN	UGRSD0849	632.6	9.2	25.8
Sukari Gold Mine	AMUN	UGRSD0845	538.5	4.0	39.2
Sukari Gold Mine	AMUN	UGRSD0844	498.5	6.0	26.0
Sukari Gold Mine	AMUN	UGRSD0843	539.1	0.7	213.2
Sukari Gold Mine	AMUN	UGRSD0846	650.0	2.5	40.3
Sukari Gold Mine	AMUN	UGD4139	639.6	2.0	47.2
Sukari Gold Mine	AMUN	UGRSD0864	631.3	3.0	29.4
Sukari Gold Mine	AMUN	UGRSD0843	640.6	4.0	18.9
Sukari Gold Mine	AMUN	UGRSD0857	630.5	2.7	22.8
Sukari Gold Mine	AMUN	UGRSD0857	623.5	4.0	13.6
Sukari Gold Mine	AMUN	UGRSD0849	628.7	2.7	20.0

During the year, greater than 14,500 metres were drilled within Ptah, a key growth driver for the underground mine. Drilling from the 660 and 735 levels, tested along the ore strike length, exploring short term underground development design, and infill drilling, driving resource reserve potential for future mine life.

Results confirmed grade continuity with high grades concentrated along strike, on both the Eastern and Western contacts of the porphyry, where breccia and/or stockwork zones form internally within the porphyry. The quartz lodes on the Western contact remain a priority high-grade target (high-grade intercepts returned along the mineralised structure south of Ptah going to the north) where the interaction between the Hapi structure and the Western contact shear results in dilation and gold enrichment. The Porphyry Keel drill results confirm resource potential extension at depth plunging towards the north.

2018 SUKARI UNDERGROUND AND HEAT MAP



2018 Significant Ptah drill intercepts (0.4g/t cut-off)

Tenement ID	Prospect ID	Hole ID	Level (mRL)	Interval (m)	Grade (Au g/t)
Sukari Gold Mine	PTAH	UGRSD0956	599.4	3.0	428.0
Sukari Gold Mine	PTAH	PUD7632	638.1	2.1	308.4
Sukari Gold Mine	PTAH	UGRSD0968	595.9	3.6	176.0
Sukari Gold Mine	PTAH	PUD7695	605.2	1.7	354.8
Sukari Gold Mine	PTAH	UGRSD0963	585.0	1.6	374.0
Sukari Gold Mine	PTAH	PUD7613	663.6	11.4	40.0
Sukari Gold Mine	PTAH	UGRSD0960	586.6	1.7	258.1
Sukari Gold Mine	PTAH	UGRSD0928	429.0	57.0	6.8
Sukari Gold Mine	PTAH	PUD7605	641.1	9.0	40.1
Sukari Gold Mine	PTAH	UGRSD0929	399.4	43.0	8.2
Sukari Gold Mine	PTAH	UGRSD0996	537.3	2.3	129.6
Sukari Gold Mine	PTAH	PUD7859	713.7	5.0	40.6
Sukari Gold Mine	PTAH	UGRSD0960	584.0	0.7	208.0
Sukari Gold Mine	PTAH	UGRSD0982	603.7	4.6	31.4
Sukari Gold Mine	PTAH	UGRSD0915	637.7	2.2	58.1
Sukari Gold Mine	PTAH	UGRSD0990	663.7	3.4	30.5
Sukari Gold Mine	PTAH	PUD7859	721.7	4.0	25.3
Sukari Gold Mine	PTAH	UGRSD0926	563.0	1.0	97.2
Sukari Gold Mine	PTAH	PUD7830	699.8	6.4	14.9
Sukari Gold Mine	PTAH	UGRSD0914	690.4	0.4	270.0
Sukari Gold Mine	PTAH	PUD7630	672.1	2.6	35.3
Sukari Gold Mine	PTAH	UGRSD0906	403.6	4.0	22.7
Sukari Gold Mine	PTAH	UGRSD0923	727.0	1.7	50.2
Sukari Gold Mine	PTAH	UGRSD0955	592.2	0.8	106.0
Sukari Gold Mine	PTAH	PUD7630	655.8	2.1	36.0
Sukari Gold Mine	PTAH	UGRSD0911	595.7	1.2	56.1
Sukari Gold Mine	PTAH	UGRSD0905	483.6	3.0	20.4
Sukari Gold Mine	PTAH	UGRSD0926	589.6	2.0	26.1
Sukari Gold Mine	PTAH	UGRSD0914	723.1	0.3	172.0

Exploration review continued

Sukari Gold Mine continued

Cleopatra exploration and development decline

The Cleopatra zone consists of a set of three stacked WNW dipping mineralised zones, located at the north of the Sukari porphyry, named from surface as Cleopatra, Antoni and Julius. Exploration and development is systematically focused on the Upper Cleopatra zone, collating increasing detailed geological information, progressing decline development and establishing drill platforms.

Cleopatra exploration completed 2,260 metres of decline development, extracting 185,333 tonnes of mineralised development ore at an average grade of 1.74g/t. A total of 20,392 metres were drilled from two drill sites in Upper Cleopatra, 1120mRL and 1150mRL levels, targeting the northern extension of the Porphyry-Keel/Ptah Deeps.

2018 Significant Cleopatra drill intercepts (0.3g/t cut-off)

Tenement ID	Prospect ID	Hole ID	Level (mRL)	Interval (m)	Grade (Au g/t)
Sukari Gold Mine	CLEO	CRSD112	908	1	110.9
Sukari Gold Mine	CLEO	CRSD085	745	1	30.0
Sukari Gold Mine	CLEO	CRSD125_W1	665	1	27.4
Sukari Gold Mine	CLEO	CUD099	1154	4	18.3
Sukari Gold Mine	CLEO	CRSD079	636	1	15.9
Sukari Gold Mine	CLEO	CRSD115	597	1	12.8
Sukari Gold Mine	CLEO	CUD100	1149	3	12.3
Sukari Gold Mine	CLEO	CRSD114	650	1	11.5
Sukari Gold Mine	CLEO	CRSD114	1059	1	9.5
Sukari Gold Mine	CLEO	CRSD102	1034	1	9.3
Sukari Gold Mine	CLEO	CRSD125	1127	1	9.3
Sukari Gold Mine	CLEO	CRSD125	694	2	7.9
Sukari Gold Mine	CLEO	CRSD121	527	1	7.5
Sukari Gold Mine	CLEO	CRSD125_W1	795	1	7.5
Sukari Gold Mine	CLEO	CRSD122	1132	1	6.8
Sukari Gold Mine	CLEO	CRSD082	692	1	6.7
Sukari Gold Mine	CLEO	CRSD102	1064	2	6.3
Sukari Gold Mine	CLEO	CUD104	668	3	6.2
Sukari Gold Mine	CLEO	CRSD092	844	1	6.2
Sukari Gold Mine	CLEO	CUD096	1164	3	5.9
Sukari Gold Mine	CLEO	CRSD116	1120	5	4.4
Sukari Gold Mine	CLEO	CUD129	1172	4	5.7
Sukari Gold Mine	CLEO	CRSD108	943	3	5.5
Sukari Gold Mine	CLEO	CRSD107	961	2	5.5
Sukari Gold Mine	CLEO	CRSD124	1004	4	5.4
Sukari Gold Mine	CLEO	CUD101	1145	7	4.7
Sukari Gold Mine	CLEO	CRSD098A	934	8	4.2
Sukari Gold Mine	CLEO	CRSD124	1009	10	3.9
Sukari Gold Mine	CLEO	CRSD084	1042	10	3.8
Sukari Gold Mine	CLEO	CRSD096	845	8	3.4
Sukari Gold Mine	CLEO	CRSD096	991	9	3.1
Sukari Gold Mine	CLEO	CRSD108	978	15	3.0
Sukari Gold Mine	CLEO	CRSD097A	856	20	2.7

In 2019, exploration is focused on infill drill of the Antoni and Julius zones to provide resource information for both underground and open pit potential, and resource definition drilling at depth within the Ptah Deeps. A grade control programme is underway to fully define potential for future small-scale stoping blocks. Exploration development has been scheduled to continue at current mining rates, exceeding 2,000 metres in decline development in porphyry.

Sukari regional exploration

Sukari is a world-class gold district (+15Moz) hosted on a major ANS terrane boundary, a NW verging, abducted, ophiolite thrust belt. Sukari resources are currently drill defined around the 2.7km long by 0.6km deep Sukari porphyry that sits axially within a much wider 17km long by 3.7km ophiolite shear zone. There are seven main surface prospects hosted along five primary domain gold trends within the licence. All surface prospects are within trucking distance to the existing processing plant and infrastructure.

Initial exploration work commenced to construct a robust district 3D geo-seismic architecture of the licence area to depths >1.5km, targeting potential new Sukari-style porphyries. The first stage of Petrophysics were completed for the application of 3D seismic across the licence area.

By Q3, rock property measurements were conducted where P-wave velocity (Vp) and Density (SG) were measured on Sukari core samples. Vp and SG were logged across three holes that intersect significant mineralisation, geology and structures at Sukari. HiSeis personnel in consultation with staff at Sukari have chosen the holes where the Acoustic Impedance (AI) obtained from these measurements was used to assess which interfaces will act as reflectors and identify the controls on these relationships. The acquired values were then applied to a schematic geological cross-section, which was then used in numerical simulations to create a forward seismic model.

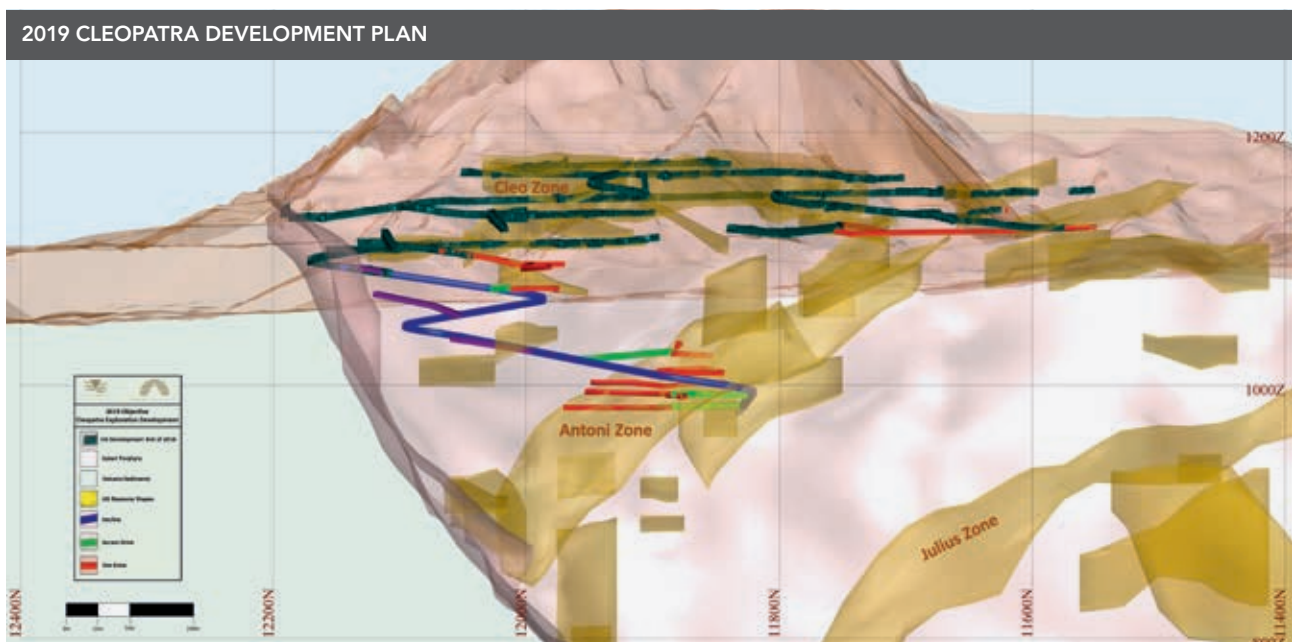
The surface exploration is focused on creating a detailed geological map of the entire tenement, highlighting areas of enhanced fluid flow, or anomalism, which are prospective for gold fluid movement and deposition.

In 2019, the plan is to complete the 3D seismics across the concession and construct a detailed geological map highlighting areas for future exploration.

Côte d’Ivoire

(The below was announced as part of a Company regulatory news release on material progress on Côte d’Ivoire exploration projects on 15 February 2019. It is included here for completeness in review of 2018.)

Centamin has eleven permits covering circa 3,472 km² and a further ten permits covering 3,413 km² under application. The key achievements were the Doropo Project resource growth, progress on the PEA development studies and the ABC Project Kona South maiden resource release.



Exploration review continued

Côte d'Ivoire continued

Mineral resources

The mineral resource data presented in the tables comprise a summary extract of the Doropo and ABC mineral resource report, using drill assay results received up to and including 10 December 2018. For comparative purposes, data for 2017 has been included for Doropo. In the instance of ABC, this is a maiden mineral resource and therefore no previous data has been provided for comparative purposes. Numbers have been rounded and therefore they may be small differences in the totals.

	Category	2018			2017		
		Tonnage (Mt)	Grade (g/t)	Gold content (Moz)	Tonnage (Mt)	Grade (g/t)	Gold content (Moz)
Doropo Project (0.5g/t cut-off)	Measured	—	—	—	—	—	—
	Indicated	50	1.31	2.13	32.6	1.3	1.35
	M+I	50	1.31	2.13	32.6	1.3	1.35
	Inferred	19	1.3	0.8	24.8	1.2	0.90
ABC Prospect (0.5g/t cut-off)	Measured	—	—	—			
	Indicated	20	1.03	0.65			
	M+I	20	1.03	0.65			
	Inferred	16	0.9	0.5			

Doropo Project

The Doropo Project, located in the northeast Côte d'Ivoire, is wholly owned by the Company, consisting of nine permits, over a 2,721km² highly prospective landholding that lies between the Boromo-Batie and the Hounde-Tehini greenstones belts.

The Company began extensive exploration at Doropo in late 2014, leading to maiden resource declared in 2017. The Company's experienced exploration team have achieved year-on-year resource growth. The team applies a systematic approach to prioritise resource-focused target generation and ranking to fast-track the most prospective target.

Geology

The Doropo landholding lies entirely within the granitic domain, bounded on the eastern side by the Boromo-Batie greenstones belt, in Burkina Faso, and on the western side by the Tehini-Hounde greenstones belt.

At the project scale, the geology consists of a granite-gneiss terrain, the granite being mostly of coarse granodioritic composition, bound by major bimodal greenstone belts, which express progressive assimilation and strain gradients at the margins,

evidenced by the presence of pyroxenites and amphibolites in the volcanic suites and migmatites in the granitoids (mostly on the western side).

Gold mineralisation occurs late in the regionally extensive, reactivating compressional shear networks, framed by intense silica-sericite-carbonate alteration haloes. The main structural hosts are cross-cutting quartz veins with diffuse overprinting with fine to medium grained pyrite sulphide selvages. Gold grade correlates with the thickness of the pyrite and high grades are coextensive with native gold within the structural laminations and contacts of the quartz veining. The veins range up to several metres. Late regional, post-gold, doleritic dykes intrude along a number of the gold-bearing shear structures.

Exploration

In 2018, nearly 100,000 metres were drilled across Doropo. Over 56,000 metres of RC drilling focusing on mineral resource definition and exploration targeting; 36,000 metres of aircore and auger drilling defining new strong surface anomalies and follow up targets; and approx. 2,800 metres of diamond drilling for metallurgical test work samples as part of the PEA study.

Assay results received in 2018 significantly extended Chegue Main, Chegue South and Enioda deposits, defined new high-grade shoots at Souwa, Han and Nokpa and discovered the new Tchouahinin resource. The Doropo mineral resource grew to 2.13Moz at 1.31g/t in the indicated category, and 760koz at 1.3g/t in the inferred category, using a 0.5g/t cut-off grade.

The currently defined mineral resource deposits lie within a 6km radius. Souwa, Nokpa, Chegue Main and Chegue South, which hosts 75% of the total mineral resource, are clustered within a 3km radius of a proposed plant location. Han, Kekeda Tchouahinin are satellite deposits located 4 to 6km to the southeast and Enioda sits 12km to the east.

The Souwa deposit currently hosts the largest resource and remains structurally open in all directions. Mineralisation extends over a 2.6km strike and dips 25° west to greater than 250 metre vertical depth. Drilling in 2019 will target the down-plunge extensions of the composite high-grade shoots and the northern strike extension of the resource to where it intersects the Nokpa-Chegue structure.

The Nokpa deposit returned some excellent intercepts, including: 37 meters at 6.4g/t, 9 metres at 14.0g/t, 2 meters at 19g/t. Nokpa is centred on a high-grade WNW moderately plunging shoot. The high-grade core sits in a 200-metre long dilational jog created at the intersection of three major structures: the major Nokpa-Chegue Main shear, the Souwa shear and a third major fault infilled by late dykes. Mineralisation extends to 300 metres vertical depth and remains open. 2019 drilling will follow the high-grade plunge of the core Nokpa lode and similar structural analogs within the proximal district.

Drilling has successfully connected both Chegue Main and Nokpa, along a 2.4km strike mineralised structure. Drilling started and will be ongoing in 2019.

Similar in origin to Nokpa, Chegue South hosts a significant resource immediately south of the Nokpa-Chegue Main shear zone. Drilling and exploration in 2018 solidified the high-grade shoots within the resource and extended on plunge and towards the south.

Infill drilling at Kekeda and Han satellite deposits will continue into 2019 with the objective of improving the resource confidence classification.

Tchouahinin, located centrally within the resource area, 3km between Souwa and Kekeda, is a new satellite deposit. The mineralisation is currently defined along 700 metre strike and open in all directions. 2019 drilling will continue to develop the new Tchouahinin structural setting.

At Enioda deposit, drilling successfully bridged two smaller shoots into a coherent 2.2km long surface deposit which strikes north to south and dips 40° west. Enioda forms the southernmost section of a continuous 7km regional mineralised shear. Drilling in 2019 will continue to develop the Enioda resource on strike and down dip.

Mineral resources, by deposit (0.5g/t gold cut-off)

	As at 31 December 2018						As at 31 December 2017					
	Indicated			Inferred			Indicated			Inferred		
	Tonnes (Mt)	Grade (g/t)	Gold (Moz)	Tonnes (Mt)	Grade (g/t)	Gold (Moz)	Tonnes (Mt)	Grade (g/t)	Gold (Moz)	Tonnes (Mt)	Grade (g/t)	Gold (Moz)
Souwa	18.1	1.41	0.82	6.3	1.5	0.30	15.4	1.4	0.65	7.2	1.3	0.29
Nokpa	6.9	1.30	0.29	1.8	1.2	0.07	5.1	1.4	0.22	4.9	1.3	0.20
Chegue Main	5.7	1.05	0.19	1.4	0.9	0.04	2.3	1.0	0.08	2.3	0.9	0.06
Chegue South	6.8	1.31	0.29	3.4	1.2	0.13	4.6	1.4	0.2	3.6	1.1	0.12
Kekeda	4.1	1.17	0.15	1.2	1.2	0.05	2.0	1.2	0.07	2.0	1.2	0.07
Han	3.8	1.48	0.18	1.6	1.4	0.07	3.2	1.3	0.13	1.5	1.2	0.06
Tchouahinin	1.3	1.44	0.06	1.0	1.0	0.03	—	—	—	—	—	—
Enioda	3.9	1.20	0.15	2.2	1.0	0.07	—	—	—	3.2	0.9	0.1
Total Doropo mineral resources	50.5	1.31	2.13	18.99	1.25	0.76	32.55	1.3	1.35	24.9	1.2	0.9

Outside of the 6km radius mineral resource area, regional Doropo exploration focused generative geochemical surveys on Tehini 1, 2 and 3 permits, Gogo and Bouna. The most significant discovery of 2018 was the Kilosegui anomaly, a coherent 8km long gold in soils-auger anomaly, located 35km south-west of Souwa. Further new additional target anomalies were defined in Kalamon, Danoa and Gogo permits. First pass drilling will commence on the Kilosegui target and other prioritised new targets will be drilled throughout H1 2019.

Exploration review continued

Doropo Project continued

2018 Significant drill intercepts (0.3g/t cut-off)

Tenement ID	Prospect ID	Hole ID	From (m)	To (m)	Interval (m)	Grade (Au g/t)
KALAMON	Chegue	DPRC2103	12	27	15	8.4
KALAMON	Chegue	DPRC2105	13	22	9	9.7
KALAMON	Chegue	DPRC0913	64	66	2	38.3
KALAMON	Chegue	DPRC2139	46	57	11	5.5
KALAMON	Chegue	DPRC2116	66	71	5	10.7
KALAMON	Chegue	DPRC2054	26	41	15	3.1
KALAMON	Chegue	DPRC2344	36	39	3	12.2
KALAMON	Chegue	DPRC2069	93	97	4	6.3
KALAMON	Chegue	DPRC0920	145	148	3	5.3
DANOA	Enioda	DPRC2026	67	75	8	8.5
DANOA	Enioda	DPRC2156	21	25	4	16.1
DANOA	Enioda	DPRC2178	104	110	6	7.0
KALAMON	Han	DPDD1433	95	102	7	23.4
KALAMON	Han	DPRC2295	89	92	3	14.7
KALAMON	Hinda	DPRC2213	13	23	10	5.8
KALAMON	Kekeda	DPDD1439	45	58	13	11.2
KALAMON	Kekeda	DPRC2275	107	110	3	7.0
KALAMON	Kekeda	DPRC0983	5	8	3	6.0
KALAMON	Nokpa	DPRC2265	70	107	37	6.4
KALAMON	Nokpa	DPRC0899	37	46	9	14.0
KALAMON	Nokpa	DPRC2367	70	110	40	3.1
KALAMON	Nokpa	DPRC2263	71	111	40	2.7
KALAMON	Nokpa	DPRC2368	93	132	39	2.4
KALAMON	Nokpa	DPRC0900	49	63	14	6.4
KALAMON	Nokpa	DPRC2242	69	81	12	6.5
KALAMON	Nokpa	DPRC2241	26	36	10	6.4
KALAMON	Nokpa	DPRD1411	252	273	21	3.0
KALAMON	Nokpa	DPRC2248	114	120	6	9.4
KALAMON	Nokpa	DPRC2365	73	78	5	10.4
KALAMON	Nokpa	DPRD1409	298	313	15	3.2
KALAMON	Nokpa	DPRC2243	9	16	7	6.7
KALAMON	Nokpa	DPRC2266	114	120	6	7.4
KALAMON	Nokpa	DPRC2258	104	106	2	19.0
KALAMON	Nokpa	DPRC2365	18	21	3	12.1
KALAMON	Nokpa	DPRC2254	110	114	4	8.8
KALAMON	Nokpa	DPRC0901	47	50	3	11.2
KALAMON	Nokpa	DPDD1427	187	191	4	6.2
KALAMON	Nokpa	DPRC2242	24	26	2	11.4
KALAMON	Souwa	DPRC2413	9	27	18	10.4
KALAMON	Souwa	DPRC0891	36	61	25	3.7
KALAMON	Souwa	DPRC2089	8	11	3	30.5
KALAMON	Souwa	DPRC0893	67	84	17	3.4
KALAMON	Souwa	DPRC2426	30	34	4	8.3
KALAMON	Souwa	DPRC2424	19	22	3	8.0
KALAMON	Tchouahinin	DPRC2337	76	80	4	39.7
KALAMON	Tchouahinin	DPRC2216	41	48	7	8.1

ABC Project

The ABC Project, located in northwest Côte d'Ivoire, approximately 600km west of Doropo, the Company's advanced exploration project. ABC is a greenfield exploration project, consisting of two permits, Kona and FarakoNafana, covering a 750km² highly prospective landholding along the underexplored contact zone between the Archean and Birimian cratons. The Company has an additional four permits under application.

Geology

The LGC is characteristically 300 metres to 800 metres wide, hosting a greenschist to low amphibolite grade, Birimian volcano-sedimentary greenstone package thrust between an earlier granitoid of Archean age inferred from structural position to the west and a paragneiss on the east. The eastern footwall contact is a major structural and metamorphic feature and it controls the regional setting of the gold mineralisation along the corridor. The paragneiss is interpreted to be the stratigraphic continuity of the detrital sediments but at higher granulite facies.

Surface geochemistry clearly maps the core of the LGC along a 23km strike which runs axially through the Kona permit. The two main prospects, identified by the initial mapping and rock chip sampling, were subdued silicified ledges in the topography. These anomalous ridges developed into the Kona South and Kona Central Prospects. On a regional scale, mapping and remote sensing of the LGC defined a 60km structural feature.

Exploration

After the permits were granted, greenfield exploration began in early 2017 with reconnaissance mapping and initial rock chip sampling of the Kona permit area.

Geochemical sampling identified the LGC at the time as an outcropping 12km gold mineralised structure. Further detailed fieldwork, including GAIP survey and circa 5,900 metre RC drill programme was carried out in 2017, returning the first significant mineralised intercepts on some wide spaced and shallow drill sections.

In 2018, exploration activities successfully focused on developing the Kona South prospect by RC and diamond drilling, while extending the

understanding of surface geochemistry through a circa 20,000 metre auger drilling programme to cover the whole of the LGC length in the Kona permit. The auger results have highlighted the strike continuity in mineralisation, plus multiple sub parallel zones along the +23km strike of the LGC. Surface geochemistry sampling also began on the FarakoNafana permit that overlays the northern extend of the Lolosso structure.

In 2018, an 18,500 metre drill programme was completed (including circa 13,400 RC metres and 5,100 diamond drill metres). Significant drill intercepts are reported quarterly as part of our detailed quarterly results, which can be found on the Company's website. The table at the end of this announcement shows 2018 highlight drill intercepts, including new intercepts published for Q4, clearly annotated. The primary objective of 2018 was the delivery of a maiden resource estimate for Kona South. The Kona South maiden resource stands at 650koz at 1.03g/t indicated category and 450koz at 0.87g/t inferred category, at a 0.5g/t cut-off. The table below shows how the resource behaves at higher cut-offs.

Kona South ABC Project, Côte d'Ivoire

Cut-off (g/t)	As at 10 December 2018					
	Indicated			Inferred		
	Tonnage (Mt)	Grade (g/t)	Gold content (Moz)	Tonnage (Mt)	Grade (g/t)	Gold content (Moz)
0.5	19.6	1.03	0.65	16	0.9	0.45
0.6	16.4	1.13	0.59	12	1.0	0.37
0.7	13.6	1.23	0.54	9	1.1	0.31
0.8	11.3	1.32	0.48	6	1.3	0.26
0.9	9.4	1.42	0.43	5	1.4	0.21
1.0	7.7	1.52	0.38	4	1.5	0.18

Beyond the Kona South and Central ridges that have been tested by some drilling, the LGC is totally virgin from any other exploration work other than the surface work (mapping, geochemistry, geophysics). Geochemistry results (auger) successfully delineated the anomalous contacts and internal plumbing of the LGC, highlighting several new resource potential targets along it.

Exploration review continued

Kona South ABC Project, Côte d'Ivoire continued

Modelling

To support the rapidly growing resource, a detailed 4D geological modelling exercise was conducted reviewing the core logging and the regional context of the macro-structure hosting the deposits. Detailed geological interpretations were compiled from prospect mapping, satellite imagery and geophysical imagery. These district geological models were integrated with the evolving drill database to produce sophisticated resource models, based on detailed structural modelling and direct deeper plunge drill targeting.

The Kona South resource remains open in all directions and detailed 3D grade modelling indicates there are higher-grade, plunging shoots within the broad-spaced resource drilling. Additional resource quality intercepts were identified at wide spacing in Kona Central, which require closer examination, infill drilling and 3D modelling in 2019.

2019

Building on the success of 2018, exploration continues, including a 34,000 metre drill programme focusing on resource development at Kona Central and Kona South, while testing the resource extension potential between the two prospects, drill testing high priority targets along the LGC, airborne magnetic/radiometric surveying, and geochemical sampling.



Diamond drill samples from Côte d'Ivoire.

2018 Significant drill intercepts (0.3g/t cut-off)

Tenement ID	Prospect ID	Hole ID	From (m)	To (m)	Interval (m)	Grade (Au g/t)
KONA	Lolosso corridor	KNDD0002	102.0	155.0	53.0	1.2
KONA	Lolosso corridor	KNDD0004	173.0	202.0	29.0	1.2
KONA	Lolosso corridor	KNDD0001	112.1	136.0	23.9	1.2
KONA	Lolosso corridor	KNDD0001	174.7	191.8	17.1	1.6
KONA	Lolosso corridor	KNDD0004	163.0	170.8	7.8	3.2
KONA	Lolosso corridor	KNRC0091	39.0	83.0	44.0	2.5
KONA	Lolosso corridor	KNRC0082	20.0	120.0	100.0	0.8
KONA	Lolosso corridor	KNRC0079	16.0	76.0	60.0	1.2
KONA	Lolosso corridor	KNRC0081	5.0	88.0	83.0	0.8
KONA	Lolosso corridor	KNDD0007	30.0	66.0	36.0	1.4
KONA	Lolosso corridor	KNRC0074	1.0	30.0	29.0	1.5
KONA	Lolosso corridor	KNRC0077	122.0	153.0	31.0	1.4
KONA	Lolosso corridor	KNRC0078	128.0	158.0	30.0	1.5
KONA	Lolosso corridor	KNDD0013	182.8	209.0	26.3	1.5
KONA	Lolosso corridor	KNRC0073	1.0	26.0	25.0	1.5
KONA	Lolosso corridor	KNRC0083	14.0	38.0	24.0	1.2
KONA	Lolosso corridor	KNRC0093	103.0	127.0	24.0	1.2
KONA	Lolosso corridor	KNRC0084	69.0	90.0	21.0	1.2
KONA	Lolosso corridor	KNDD0013	172.0	180.5	9.0	2.7
KONA	Lolosso corridor	KNRC0136	185.0	244.0	59.0	1.7
KONA	Lolosso corridor	KNRC0131	192.0	237.0	45.0	1.7
KONA	Lolosso corridor	KNDD0017	206.5	243.0	36.5	1.9
KONA	Lolosso corridor	KNDD0014	78.0	131.3	53.3	1.3
KONA	Lolosso corridor	KNRC0114	29.0	59.0	30.0	2.2
KONA	Lolosso corridor	KNRC0112	107.0	149.0	42.0	1.5
KONA	Lolosso corridor	KNDD0019	107.2	160.1	52.9	1.2
KONA	Lolosso corridor	KNRC0138	184.0	244.0	60.0	1.0
KONA	Lolosso corridor	KNRC0117	6.0	56.0	50.0	1.1
KONA	Lolosso corridor	KNRC0130	45.0	93.0	48.0	1.1
KONA	Lolosso corridor	KNDD0020	105.0	154.0	49.0	1.1
KONA	Lolosso corridor	KNRC0111	112.0	144.0	32.0	1.5
KONA	Lolosso corridor	KNRC0132	184.0	201.0	17.0	2.6
KONA	Lolosso corridor	KNRC0126	70.0	96.0	26.0	1.7
KONA	Lolosso corridor	KNRC0122	122.0	150.0	28.0	1.5
KONA	Lolosso corridor	KNRC0116	1.0	37.0	36.0	1.2
KONA	Lolosso corridor	KNRC0127	0.0	33.0	33.0	1.2
KONA	Lolosso corridor	KNRC0134	12.0	34.0	22.0	1.7
KONA	Lolosso corridor	KNRC0118	86.0	110.0	24.0	1.2
KONA	Lolosso corridor	KNRC0123	71.0	85.0	14.0	1.8

Exploration review continued

Burkina Faso

Batie West Project

The Batie West Project, located in southwest Burkina Faso, is wholly owned by Centamin. The 1,100km² landholding includes one exploitation (mining) licence and nine exploration permits. The 64km² Konkera exploitation licence holds an NI 43-101 compliant 1.9Moz indicated resource, at a grade of 1.7g/t and a 1.3Moz inferred resource, at a grade of 1.7g/t.

Beyond Konkera, the Group's drill programmes have identified significant additional potential resources across the exploration areas, most notably at Napelapera (circa 10km south of Konkera), and Wadarado (circa 35km north of Konkera).

Detailed desktop scoping work is underway to assess and prioritise the value opportunity of the project against the Company's internal operational and cost objectives.

There were zero lost-time injuries across all project areas in Burkina Faso during 2018.

The Group undergoes regular routine training and a focus on leading indicators to maintain the highest standards of health and safety.

Mineral resource and reserve statements

Group mineral resource and mineral reserve update

Group mineral resources, including mineral reserves, increased by 5% to 15.7Moz, driven by a 44% increase in mineral resource ounces from our West African land package and reserve replacement from the Sukari underground:

- 11.0Moz Sukari mineral resource, a 6% decrease YoY, including 1.1Moz underground resources, excluding mineral resources that constitute the underground mineral reserves;
- 2.1Moz Doropo mineral resource, a 58% increase YoY, reflecting the maiden resources declared at Tchouahinin and Enioda deposits, and greater than doubling the resources at Chegue Main and Kekeda; and
- 650koz maiden ABC mineral resource estimate.

- Sukari mineral reserves have decreased 9% YoY to 7.25Moz, driven by mine depletion and adjusting for higher input costs, in particular rising fuel costs:
 - 0.8Moz of underground reserves, successfully replacing reserves in excess of mining depletion;
 - 4.4Mt of underground reserve tonnes, at a 5.6g/t, an 11% increase in grade YoY; and
 - 6.2Moz open pit reserves underpinning greater than 15 years of sustainable production at current mining rates.

Consolidated Group mineral resource

The mineral resource data presented in the tables included in this document comprise a summary extract for the mineral resource reports for all the Group's properties. For comparative purposes, data for 2017 has been included where possible. Numbers have been rounded and therefore there may be small differences in the totals. Varying cut-off grades have been clearly stated.

Category	2018			2017			
	Tonnage (Mt)	Grade (g/t)	Gold content (Moz)	Tonnage (Mt)	Grade (g/t)	Gold content (Moz)	
Sukari Gold Mine (0.3g/t cut-off)	Measured	254.0	0.99	240	1.02	7.90	
	Indicated	104.0	0.89	145	0.84	3.90	
	M+I	358.0	0.96	11.00	385	0.95	11.75
	Inferred	34	0.80	0.88	25	0.80	0.64
Doropo Project (0.5g/t cut-off)	Measured	—	—	—	—	—	
	Indicated	50	1.31	2.13	32.6	1.3	1.35
	M+I	50	1.31	2.13	32.6	1.3	1.35
	Inferred	19	1.3	0.8	24.9	1.2	0.90
ABC Prospect (0.5g/t cut-off)	Measured	—	—	—	—	—	
	Indicated	20	1.03	0.65	—	—	—
	M+I	20	1.03	0.65	—	—	—
	Inferred	16	0.87	0.45	—	—	—
Batie West Project (0.5g/t cut-off)	Measured	—	—	—	—	—	
	Indicated	34	1.70	1.92	34	1.70	1.92
	M+I	34	1.70	1.92	34	1.70	1.92
	Inferred	25	1.70	1.33	25	1.70	1.33
Group mineral resources	M+I	462	1.07	15.70	452	1.03	15.02
	Inferred	94	1.14	3.42	75	1.23	2.87

Notes

- The open pit resources are estimates of recoverable tonnes and grades using Multiple Indicator Kriging with block support correction produced in the GS3 software.
- Sukari Gold Mine:
 - measured open pit 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 estimate extends over a strike length of 2.6 kilometres and to a maximum depth of 0 meters in elevation (a maximum depth of approximately 1000 metres below wadi level);
 - all available surface drilling and channel samples were used as at 22 August 2018, but underground production holes were excluded. The resource data set comprised 326,021 two-metre down hole composites and surface rock chip samples; and
 - mineral resource estimates were adjusted to the mining surface and underground mining voids as at end of June 2018, and planned underground mining voids were excised to avoid double counting of underground resources.
- Doropo and ABC indicated resources occur in areas drilled at approximately 50 x 50 metre spacing and inferred resources exist in areas of broader spaced drilling.
- The reported Doropo estimates are limited to blocks with a maximum depth of 250 metres below surface and within 80 metres of drill hole data.
- All available Doropo data was used as at 6 December 2018.
- The reported ABC estimates are limited to blocks with a maximum depth of 250 metres below surface and within 100 metres of drill hole data.
- All available ABC data was used as at 10 December 2018.
- The Doropo and ABC resource data set includes RC and diamond drill data and gold estimates are based on 50g Fire Assays completed at Bureau Veritas Mineral Laboratories, Abidjan.

Group mineral reserves (Sukari Gold Mine only)

The mineral reserve data presented in the tables included in this report, comprise a summary extract for the Sukari Gold Mine mineral reserve report. Currently all the ore reserves are contained within the Sukari tenement. For comparative purposes, data for 2017 has been included. Numbers have been rounded and therefore there may be small differences in the totals.

Sukari Gold Mine	Category	2018			2017			
		Tonnage (Mt)	Grade (g/t)	Gold content (Moz)	Tonnage (Mt)	Grade (g/t)	Gold content (Moz)	
Open pit	Proven	131.1	1.1	4.7	Open pit	159.0	1.0	5.2
0.4g/t cut-off	Probable	43.1	1.0	1.5	0.35g/t cut-off	70.0	0.8	1.8
	P & P	174.2	1.1	6.2		229.0		7.0
Underground	Proven	1.3	6.9	0.3	Underground	0.7	8.5	0.2
3.0g/t cut-off	Probable	3.2	5.2	0.5	3.0g/t cut-off	4.0	4.4	0.6
	P & P	4.4	5.6	0.8		4.7	5.1	0.8
Stockpiles	Proven	16.0	0.5	0.2	Stockpiles	10.0	0.5	0.2
0.4g/t cut-off	Probable				0.3g/t cut-off			
	P & P	16.0	0.5	0.2		10.0	0.5	0.2
Sukari mineral reserve	P & P	194.6	1.2	7.25		244.0	1.0	8.0

Notes:

- Open pit reserve includes 5.0Mt at 0.3g/t for 46koz gold using a 0.2g/t gold cut-off for the dump leach.
- Underground cut-offs for reporting are 0.4g/t gold for development with stopes defined within a 3.0g/t gold cut-off.

Exploration review continued

Group mineral reserves (Sukari Gold Mine only) continued

Sukari Gold Mine mineral open pit resource estimates

Cut-off grade (g/t Au)	2018									
	Measured		Indicated		Measured & Indicated			Inferred		
	Tonnes (Mt)	Grade (g/t Au)	Tonnes (Mt)	Grade (g/t Au)	Tonnes (Mt)	Grade (g/t Au)	Metal (Moz Au)	Tonnes (Mt)	Grade (g/t Au)	Metal (Moz Au)
0.3	254	0.99	104	0.89	358	0.96	11.0	34	0.8	0.88
0.4	202	1.15	80	1.06	281	1.12	10.2	25	1.0	0.78
0.5	164	1.31	64	1.21	227	1.28	9.39	19	1.1	0.69
0.6	137	1.46	52	1.36	189	1.43	8.71	15	1.3	0.61
0.7	116	1.61	43	1.50	159	1.58	8.08	12	1.4	0.55
0.8	99	1.76	37	1.64	135	1.73	7.51	10	1.6	0.50
0.9	85	1.91	31	1.78	116	1.87	6.97	8	1.8	0.45
1.0	73	2.06	27	1.92	100	2.02	6.48	7	1.9	0.41

Sukari Gold Mine underground resource estimates (included within the above mineral resource estimates)

Category	2018			2017		
	Tonnage (Mt)	Grade (g/t)	Gold content (Moz)	Tonnage (Mt)	Grade (g/t)	Gold content (Moz)
Sukari Underground						
2.0g/t cut-off						
Measured	2.86	8.3	0.77	1.95	8.9	0.55
Indicated	5.23	6.4	1.08	5.49	6.0	1.07
M+I	8.09	7.1	1.85	7.44	6.8	1.62
Inferred	6.89	4.6	1.02	6.71	4.5	0.98



Geologists in West Africa.

Qualified Person and quality control

Information of a scientific or technical nature in this document, including but not limited to the mineral reserve and resource estimates, was prepared by and under the supervision of Group Qualified Person(s) and independent Qualified Person(s) as below:

- Sukari Gold Mine, Egypt
 - Open pit mineral reserve
Quinton de Klerk of Cube Consulting Pty Ltd;
 - Underground mineral reserve
Adrian Ralph of Cube Consulting Pty Ltd;
 - Mineral resource (underground)
Mark Zammit of Cube Consulting Pty Ltd;
 - Mineral resource
Arnold van der Heydyn of H&S Consultants Pty Ltd; and
 - Resource database and economic assumptions for open-pit resource
Norman Bailie of Centamin plc.
- Doropo Project, Côte d'Ivoire
Rupert Osborn of H&S Consultants Pty Ltd; and
- ABC Project, Côte d'Ivoire
Rupert Osborn of H&S Consultants Pty Ltd.

A "Qualified Person" is as defined by the National Instrument 43-101 of the Canadian Securities Administrators.

The named Qualified Person(s) 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. Each Qualified Person consents to the inclusion of the information in this document in the form and context in which it appears.

Investors should be aware that the figures stated are estimates and no assurances can be given that the stated quantities of metal will be produced.

Mineral resource estimates contained in this document are based on available data as at:

- Sukari Gold Mine
22 August 2018;
- Doropo Project
10 December 2018; and
- ABC Project
10 December 2018.

Varying cut-off grades have been used, and clearly marked, for calculating the mineral resource estimates at different Group properties, depending on the stage of project, maturity and ore type.

Financial review

Now in its ninth year of production, the Sukari Gold Mine continues to be cash generative.

Ross Jerrard

Chief Financial Officer



The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted for use by the European Union and in accordance with the Companies (Jersey) Law 1991.

There have been two major changes to the consolidated financial statements for the year ended 31 December 2018 and its comparatives:

- the change in the presentation of the EMRA profit share to non-controlling interest ("NCI") in SGM, refer to note 1.1.1; and
- the change in accounting policy regarding the treatment of costs related to exploration and evaluation of mineral resources under IFRS 6, refer to note 1.2.1.

Now in its ninth year of production, the Sukari Gold Mine remains cash generative and this is reflected in the Group's financial results for the year ended 31 December 2018:

- 2018 was an operationally challenging year for the Group and despite the challenges, costs were kept under tight control and it remained cash generative;

- free cash flow⁽¹⁾ of US\$63 million generated in 2018 to the Company after distribution to the NCI, down 56% on the prior year (2017: US\$146 million) almost entirely due to lower production, the increase in fuel and reagent costs and the increase in the percentage share of distributions to the NCI from 1 July 2018⁽³⁾ in accordance with the CA although the absolute distributions decreased on 2017;
- 2018 revenues of US\$603 million were down 11% on the prior year (2017: US\$676 million) with a 0.5% increase in realised gold prices offset by a decrease in gold sales;
- cash costs of production⁽¹⁾ increased to US\$624 per ounce produced on the prior year (2017: US\$554), driven predominantly by a 15% decrease in gold ounces produced (excluding Cleopatra), an increase in mined and processed tonnes and an increase in fuel and reagent costs;
- AISC⁽¹⁾ of US\$884 per ounce sold was below our forecast, but was an increase on the prior year (2017: US\$790), mainly due to a 12% decrease in gold ounces sold (excluding Cleopatra), increased production costs and higher sustaining capital costs resulting from planned fleet rebuilds;
- EBITDA⁽¹⁾ decreased by 17% to US\$258 million, as a result of increased production and operating costs and an 11% decrease in revenues;
- profit before tax decreased by 26% to US\$152.7 million, due to the factors outlined above;
- earnings per share attributable to owners of the parent of 6.50 US cents were down 22% on the prior year due to lower revenue, higher costs and the increase in distributions to the NCI from 1 July 2018 in accordance with the CA (2017: 8.38 US cents);
- operational cash flow of US\$223 million was 34% lower than 2017, due to the lower gold production base with higher gold prices offset by a higher cost base; and

(1) Cash cost of production, AISC, EBITDA and cash, bullion on hand, gold sales receivables, financial assets at fair value through other comprehensive income and free cash flow are non-GAAP measures and are defined at the end of the financial review section.

(2) Basic EPS, EBITDA, cash cost of production and AISC reflect a provision against prepayments to reflect the removal of fuel subsidies which occurred in January 2012 (refer to note 2.7 of the financial statements for further details).

(3) Profit share commenced during the third quarter of 2016. The first two years was a 60:40 split of net production surplus to PGM and EMRA respectively. From 1 July 2018 this changed to a 55:45 split for the next two-year period until 30 June 2020, after which all net production surpluses will be split 50:50.



Flotation cells in the processing plant.

- the Egyptian state has benefited directly from dividends paid to the non-controlling interest in SGM of US\$76 million in addition to US\$18 million in royalty payments during the year ended 31 December 2018 (2017: US\$112 million and US\$20 million respectively).

A final dividend for 2018 of 3.0 US cents per share has been proposed for approval at the AGM on 8 April 2019. Together with the interim dividend of 2.5 US cents paid during the year, this represents a paid and proposed full-year dividend of 5.5 US cents per share (2017: 12.5 US cents per share). Payment of the proposed final dividend would result in a full-year payout of approximately US\$63.5 million, which is equivalent to 100% of our free cash flow for 2018, 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 and gold sales receivable balance during the year. Cash and cash equivalents stood at US\$282.6 million as at 31 December 2018 (2017: US\$359.7 million).

Revenue

Revenue from gold and silver sales has decreased by 11% to US\$603.2 million (2017: US\$675.5 million), with a 0.5% increase in the average realised gold price to US\$1,267 per ounce (2017: US\$1,261 per ounce) and a 10% decrease in gold sold to 484,322 ounces (2017: 539,726 ounces). The movement is also net of US\$11.5 million of gold sold which is related to Cleopatra (exploration decline) netted against capitalised exploration costs.

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\$49.5 million categorised as fuel prepayments (refer to note 2.7 to the financial statements for further information) and has decreased by US\$7.8 million to US\$406.5 million (2017: US\$414.3 million), mainly as a result of a:

- US\$20.5 million increase in total mine production costs from US\$307.6 million to US\$328.1 million, due to a 10% 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;
- US\$5.5 million increase in depreciation and amortisation charges from US\$104.3 million to US\$109.7 million due to mine development within capital work in progress being capitalised to mine development properties during the year, a reclassification of brownfield exploration and evaluation expenditure to mine development properties and a change in the associated amortisation charges; and
- offset by a US\$33.8 million decrease in the movement in inventory due to the increase in mining stockpiles.

Financial review continued

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% royalty payable to the Egyptian government. Other operating costs decreased by US\$9.1 million, or 25% on the prior year, to US\$27.9 million, mainly as a result of a:

- US\$4.9 million increase in net foreign exchange gains (-ve);
- US\$2.0 million decrease in royalty paid to the government of the Arab Republic of Egypt ("ARE") in line with the decrease in gold sales revenue (-ve);
- US\$1.8 million increase in corporate and other costs (+ve); and
- US\$4.0 million swing in the expense related to the stock obsolescence provision (-ve).

Exploration and evaluation expenditure

Exploration and evaluation expenditure comprise expenditure incurred for exploration activities in Côte d'Ivoire and Burkina Faso. Exploration and evaluation costs increased by US\$0.7 million, or 4% from US\$20.3 million in the year ended 31 December 2017 to US\$21.0 million in the year ended 31 December 2018. These expenses are now recorded in the income statement after the change in accounting policy regarding the treatment of greenfield exploration and evaluation costs, please refer to note 1.2.1 of the financial statements.

Finance income

Finance income comprises interest income applicable on the Group's available cash and term deposit amounts. The movements in finance income are in line with the movements in the Group'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 2018 of US\$152.7 million (2017: US\$207.4 million).

Tax

The Group operates in several countries and, accordingly, it is subject to the various tax regimes in the countries in which it operates. The tax charge of US\$0.05 million for the year was associated with interest and rental income in Egypt. For further information, please refer to the Payments to Governments disclosure on our website.

Dividends paid to non-controlling interest in SGM

During the year ended 31 December 2018, US\$76.4 million (2017: US\$111.6 million) was paid as dividends to the non-controlling interest in SGM, being the Egyptian Mineral Resources Authority ("EMRA").

Dividends paid to the non-controlling interest in SGM being EMRA, pursuant to the provisions of the Concession Agreement, are recognised as non-controlling interest attributable to SGM at the base of the income statement of Centamin. EMRA does not own shares in Centamin, therefore Group earnings per share is calculated on the profit attributable to the owners of the parent. The profit share payments during the year will be reconciled against SGM's audited 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 2018 financial statements are currently being audited.

Earnings per share

Earnings per share attributable to owners of the parent of 6.50 US cents in 2018 decreased when compared with the prior year (2017: 8.38 US cents). The decrease was driven by the factors outlined above.

Other comprehensive income

Other comprehensive income movement was the result of the revaluation of financial assets at fair value through other comprehensive income.

Financial position

Centamin has a strong and flexible balance sheet with no debt and no hedging. Cash, bullion on hand and gold sales receivables at 31 December 2018 of US\$322.3 million, down from US\$417.9 million at 31 December 2017, following dividend payments of US\$144.6 million during the year.

	Note	Year ended 31 December 2018 US\$'000	Year ended 31 December 2017 US\$'000
Cash and cash equivalents	2.13	282,627	359,680
Bullion on hand (valued at the year-end spot price)		11,431	27,123
Gold sales receivable	2.6	28,234	31,007
Financial assets at fair value through other comprehensive income	4.3	—	125
Cash and cash equivalents, bullion on hand, gold sales receivables and financial assets at fair value through other comprehensive income		322,292	417,935

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

Current assets have decreased by US\$89.0 million, or 17%, from US\$509.3 million in 2017 to US\$420.3 million, as a result of a:

- US\$7.7 million decrease (-ve) in inventory driven by a US\$8.3 million decrease (-ve) in collective stores inventory value to US\$70.3 million (due to significant cost reduction and minimisation initiatives), a US\$1.1 million decrease (-ve) in overall mining stockpiles and gold in circuit levels to US\$30.6 million and a US\$1.8 million decrease (+ve) in the provision for obsolete stores inventory to US\$3.3 million;
- US\$0.1 million decrease in financial assets at fair value through other comprehensive income (-ve);
- US\$1.0 million decrease in trade and other receivables (including gold sale receivables) (-ve);
- US\$3.1 million decrease in prepayments (-ve); and
- US\$77.1 million decrease in net cash (net of foreign exchange movements) (-ve) driven by a US\$115.6 million final dividend payment to registered shareholders for 2017, a US\$28.9 million interim dividend payment to registered shareholders for 2018 and a US\$76.4 million payment to EMRA as distributions to the NCI during the year.

Non-current assets have increased by US\$12.6 million, or 1%, from US\$915.1 million in 2017 to US\$927.7 million, as a result of a:

- US\$94.7 million increase in the cost of property, plant and equipment due to additions (+ve);
- US\$109.8 million charge for depreciation and amortisation (-ve);
- US\$4.7 million decrease in capitalised brownfield exploration and evaluation assets (net of a US\$8.7 million Cleopatra net revenue adjustment and US\$9.7 million transfer to mine development property, plant and equipment), as a result of the drilling programmes in Sukari Hill (-ve);

- US\$32.4 million increase in inventory related to mining stockpiles that will not be processed within twelve months (+ve); and
- US\$0.01 million decrease in prepayments and other receivables (-ve).

Current liabilities have decreased by US\$14.0 million, or 23%, from US\$61.4 million in 2017 to US\$47.4 million, as a result of a:

- US\$9.0 million decrease in trade payables and a US\$3.3 million decrease in accruals (-ve);
- US\$0.5 million decrease in tax liabilities accrued during the year (-ve); and
- US\$1.2 million offset in current provisions primarily driven by withholding tax, customs and rebate provisions, employee benefits provision and Egypt health insurance provision held at year end (-ve).

Non-current liabilities have increased by US\$2.8 million, or 25%, from US\$10.9 million in 2017 to US\$13.7 million as a result of an increase in the rehabilitation provision.

Financial review continued

Financial position continued

The value of share capital has increased by US\$1.9 million to US\$670.6 million, which can be attributed to the value of awards granted under the employee share plans for the period. There has been an increase of 2,615,000 in the number of issued shares over the same period.

Share option reserves reported have increased by US\$1.4 million to US\$5.7 million as result of the recognition of the share-based payment expenses for the year, offset by vesting and/or forfeiture of awards and the resultant transfer to issued capital and accumulated profits respectively.

Accumulated profits decreased by US\$68.4 million to US\$610.5 million as a result of a:

- US\$152.6 million profit for the year after tax (+ve); offset by

- US\$76.4 million profit share paid to EMRA in the year (-ve); and
- US\$144.5 million in dividend payments to external shareholders, comprising a US\$115.6 million final dividend payment for 2017 and a US\$28.9 million interim dividend payment for 2018 (-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\$113.7 million to US\$223.4 million, primarily attributable to a decrease in revenue due to a 10% decrease in gold ounces sold at a slightly higher average realised price offset by an increase in costs as explained above.

Net cash flows used in investing activities comprise brownfield exploration expenditure capitalised and capital development expenditures. Cash outflows have increased by US\$3.7 million to US\$83.6 million. The primary use of the funds in the year was for purchases of property, plant and equipment and investment in underground development at the Sukari site in Egypt.

Net cash flows used in financing activities decreased by US\$75.1 million to US\$221 million, which comprises US\$76.4 million of dividends paid to the NCI and US\$144.6 million of dividends paid to the owners of the parent during the year.

Effects of exchange rate changes have increased by US\$5.4 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 2018 US\$'000	Restated ^(1,2) 31 December 2017 US\$'000
Underground exploration	6,048	5,983
Underground mine development	37,161	32,666
Other sustaining capital expenditure	45,982	43,890
Total sustaining capital expenditure	89,191	82,539
Non-sustaining exploration capitalised ^(1,2)	7,587	4,627

(1) Only includes US\$7.6 million of the Sukari expenditure relating to Cleopatra in non-sustaining capital expenditure before the offset of net pre-production gold sales.

(2) Please refer to note 1.2.1 of the financial statements for the change in accounting policy regarding exploration and evaluation expenditure.

Cumulative exploration expenditure capitalised for Cleopatra at Sukari is US\$15.2 million project to date offset by pre-production net revenues of US\$13.5 million (refer to notes 2.2 and 2.3 to the financial statements for further details) resulting in US\$1.7 million remaining on the statement of financial position at 31 December 2018.

Exploration expenditure

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

	31 December 2018 US\$'000	31 December 2017 US\$'000
Greenfield exploration		
Burkina Faso ⁽¹⁾	5,223	6,433
Côte d'Ivoire ⁽¹⁾	15,783	13,853
Brownfield exploration		
Sukari tenement	6,048	5,983
Cleopatra ⁽²⁾	7,587	4,627
Total exploration expenditure	34,641	30,896

(1) Please refer to note 1.2.1 of the financial statements for the change in accounting policy regarding exploration and evaluation expenditure.

(2) Cleopatra expenditure before the offset of net pre-production gold sales.

Sukari and exploration and evaluation assets – impairment considerations

In accordance with the requirements of IAS 36 'Impairment of assets' and IFRS 6 'Exploration for and evaluation of mineral resources' it was concluded that the devaluation of the share price of the Company was an impairment indicator for the Sukari Gold Mine and the exploration and evaluation assets. An impairment review has subsequently been performed, refer to note 1.1.2 of the financial statements for further information, however no impairment resulted from the review. As no impairment indicators were identified in 2017 an impairment review was not performed in that period.

Exchange rates

Foreign exchange gains have increased from US\$1.5 million to US\$6.4 million, resulting in a US\$4.9 million increase on the prior year.

Ross Jerrard

Chief Financial Officer
Director

1 March 2019

Financial review continued

Non-GAAP financial measures

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

1) EBITDA and adjusted 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 profit for the year before tax to EBITDA:

Reconciliation of profit for the year before tax to EBITDA and adjusted EBITDA:

	Year ended 31 December 2018 ⁽¹⁾ US\$'000	Restated ⁽²⁾ Year ended 31 December 2017 ⁽¹⁾ US\$'000
Profit for the year before tax	152,702	207,365
Finance income	(4,815)	(2,729)
Depreciation and amortisation	110,047	104,562
EBITDA	257,934	309,197
Add back: impairments of non-current assets ⁽³⁾	—	—
Adjusted EBITDA	257,934	309,197

(1) Profit before tax, depreciation and amortisation and EBITDA includes a charge to reflect the removal of fuel subsidies (refer to note 2.7 to the financial statements for further details).

(2) Please refer to note 1.2.1 of the financial statements for the change in accounting policy regarding exploration and evaluation expenditure.

(3) Adjustments made to normalise earnings, for example impairments on non-current assets (i.e. net realisable value, stockpiles, exploration and evaluation assets etc.).

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).

On 14 November 2018 the World Gold Council published an updated Guidance Note on 'all-in sustaining costs' and 'all-in costs' metrics per their press release it is expected that companies may choose to use the updated guidance from 1 January 2019 or on commencement of their financial year if later. The Group will apply the updated guidance from 1 January 2019.

Reconciliation of cash cost of production per ounce produced:

		Year ended 31 December 2018 ⁽¹⁾ US\$'000	Year ended 31 December 2017 ⁽¹⁾ US\$'000
Mine production costs (note 2.3)	US\$'000	328,090	307,563
Less: refinery and transport	US\$'000	(1,508)	(1,554)
Movement of inventory ⁽²⁾	US\$'000	(37,188)	(5,632)
Cash cost of production – gold produced	US\$'000	289,394	300,377
Gold produced – total (oz) (excluding Cleopatra)	oz	463,459	539,715
Cash cost of production per ounce produced	US\$/oz	624	554 ⁽³⁾

(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 2.7 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.

(3) The cash cost of production per ounce produced at 31 December 2017 was adjusted by the costs of pre-production gold sales related to Cleopatra of US\$1,329,000 and divided by total gold produced (including Cleopatra ounces) of 544,658 oz to give US\$554/oz.

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 2018 ⁽¹⁾ US\$'000	Year ended 31 December 2017 ⁽¹⁾ US\$'000
Mine production costs (note 2.3)	US\$'000	328,090	307,563
Royalties paid	US\$'000	18,396	20,404
Movement in inventory ⁽²⁾	US\$'000	(31,296)	2,490
Cash cost of production – gold sold	US\$'000	315,190	330,457
Gold sold – total (oz) (excluding Cleopatra)	oz	475,362	534,783
Cash cost of production per ounce sold	US\$/oz	663	577 ⁽³⁾

(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 2.7 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.

(3) The cash cost of production per ounce sold at 31 December 2017 was adjusted by the costs of pre-production gold sales related to Cleopatra of US\$1,329,000, it was not adjusted by royalties paid of US\$20,404,000, and it was divided by gold sold (including Cleopatra ounces) of 539,726 oz to give US\$577/oz.

Financial review continued

Non-GAAP financial measures continued

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

Reconciliation of AISC per ounce sold:

		Year ended 31 December 2018 ⁽¹⁾ US\$'000	Year ended 31 December 2017 ⁽¹⁾ US\$'000
Mine production costs (note 2.3)	US\$'000	328,090	307,563
Movement in inventory	US\$'000	(31,296)	2,490
Royalties	US\$'000	18,396	20,404
Corporate administration costs	US\$'000	15,909	12,679
Rehabilitation costs	US\$'000	870	629
Sustaining underground development and exploration	US\$'000	43,209	38,649
Other sustaining capital expenditure	US\$'000	45,982	43,890
By-product credit	US\$'000	(1,044)	(1,167)
All-in sustaining costs ⁽²⁾	US\$'000	420,116	425,137
Gold sold – total (oz) (excluding Cleopatra)	oz	475,362	534,783
AISC per ounce sold	US\$/oz	884	790 ⁽³⁾

(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 2.7 to the financial statements for further details).

(2) Includes refinery and transport.

(3) The AISC per ounce sold at 31 December 2017 was adjusted by the costs of pre-production gold sales related to Cleopatra of US\$1,329,000 and divided by total gold sold (including Cleopatra ounces) of 539,726 oz to give US\$790/oz.

3) Cash and cash equivalents, bullion on hand, gold sales receivables and financial assets at fair value through other comprehensive income

Cash and cash equivalents, bullion on hand, gold sales receivables and financial assets at fair value through other comprehensive income is a non-GAAP financial measure. Cash and cash equivalents, bullion on hand, gold sales receivables and financial assets at fair value through other comprehensive income 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 financial assets at fair value through other comprehensive income 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 financial assets at fair value through other comprehensive income:

	Note	Year ended 31 December 2018 US\$'000	Year ended 31 December 2017 US\$'000
Cash and cash equivalents	2.13	282,627	359,680
Bullion on hand (valued at the year-end spot price)		11,431	27,123
Gold sales receivables	2.6	28,234	31,007
Financial assets at fair value through other comprehensive income	4.3	—	125
Cash and cash equivalents, bullion on hand, gold sales receivables and financial assets at fair value through other comprehensive income		322,292	417,935

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 2018 US\$'000	Year ended 31 December 2017 US\$'000
Net cash generated from operating activities	223,404	337,093
Less:		
Net cash used in investing activities	(83,585)	(79,913)
Dividend paid – non-controlling interest in SGM	(76,391)	(111,629)
Free cash flow	63,428	145,551

Corporate social responsibility

From exploration to extraction, construction to closure, sustainability is a vital consideration at all stages of the mine cycle and a key strategic pillar for the Company.

Alison Baker

Chair of the HSES Committee



Dear shareholders

I am presenting my first report as Chair of the Health, Safety, Environmental and Sustainability Committee (“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 and a strategic imperative for the Company. 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 responsible for sustainability-related issues, the HSES Committee makes recommendations to the Board. The HSES Committee is made up of three Board members: Edward Haslam, Ibrahim Fawzy and me as Chair. Dr Ibrahim Fawzy was appointed to the HSES Committee in January 2019, replacing Mark Bankes who served on the Committee during 2018 and I thank Mark for his input and counsel during 2018.

On appointment as Chair of the HSES Committee earlier in 2018 I set out my agenda and the following activities were carried out during the year:

- site visits to Sukari, attended by the HSES Committee along with senior personnel from the HSES department to understand first-hand the initiatives in place for training and improvements in health and safety on the site;
- the segregation of materials on the scrapyard and removal of waste materials, recyclable materials and reusable materials;
- the treatment of waste materials including the tailings dam and processes for handling of hazardous materials such as cyanide;
- the community plans in Sukari and in particular existing social project work with the local hospital in Marsa Alam and use of the CT scanning machine, the Marsa Alam playground, the environmental protectorates near the mine and the playground and needs of the local children and families; and
- community projects and initiatives in Burkina Faso and Côte d’Ivoire.

In compliance with the reporting requirements set out in the Committee charter, during the year

the HSES Committee worked closely with management to:

- review monthly and quarterly reporting on corporate sustainable development issues and initiatives;
- set LTIFR targets and evaluate the root cause of incidents and safeguards and initiatives (such as Take 5) that have been put in place;
- address potential environmental hazards and identify resource needs to eliminate or mitigate incidents;
- review community-based projects both at Sukari (Egypt) and Batie West (West Africa);
- enhanced reporting to include CDP submissions and report towards GRI standards;
- review the requirements of the Modern Slavery Act and how they could be actioned across our operations/supply chain; and
- review environmental, health, safety and contingency plans.

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:

- improvements 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.



Local Egyptian community adjacent to the Nile near Edfu, Egypt.

As set out in the governance report, in 2019 the HSES Committee will be instrumental in delivering on the 2018 Code, ensuring that:

- the Company's purpose and values which are integral to the Company's success remain relevant and are communicated and embedded across the business;
- by using the existing labour and workforce committees onsite at Sukari, ensure that the views of the workforce are heard and there is active engagement with Board members to ensure the employee voice is understood by the Board;
- review and action stakeholder engagement plans covering investors and shareholders, host government and local communities, suppliers, contractors and employees; and
- working with the Board and the CGC Committee to ensure compliance with section 172 of the Companies Act and making recommendations to the Board as to what further actions are to be implemented.

The sustainability report is published alongside the 2018 annual report and accounts, with key themes in the report as follows:

- improved sustainability governance to update policies and procedure on human resources, stakeholder engagement and on minimising the risk of Modern Slavery in our supply chain;

- strong commitment to managing and minimising health and safety risks;
- a commitment to developing a highly skilled workforce dominated by host country nationals; and
- development of solar capacity at Sukari.

I am particularly excited by the opportunity of the solar project, which is currently subject to a detailed engineering feasibility study. If approved by the Board in 2019, it could become one of the largest standalone solar power facilities in Africa reducing both our greenhouse gas emissions and reducing our fuel costs.

Centamin's contribution to Egypt, beyond the direct profit share and royalty payments to government:

- approximately US\$3 billion investment to date (including capital and operational expenditure); and
- job creation – an average of circa 1,500 Egyptian employees (80 expatriates) and more than 320 Egyptian companies providing goods and services to Sukari Gold Mine.

Centamin's contribution across the projects in West Africa:

- job creation of permanent employees, casual workers and contractors from neighbouring towns and villages near the operations;
- purchases from local suppliers;
- local community related initiatives; and
- customs duties and related taxes.

Following recent high-profile incidents in the mining sector there has been an increased interest from stakeholders in understanding the level of risk associated with mining companies' tailings facilities. Details of Centamin's TSF and the evaluation of the facility, as well as plans and timings for a new TSF, are set out in the separately published sustainability report and principal risk section of the strategic report.

Centamin is committed to working with the highest level of respect for its employees, host communities and the environment. As Chair of the HSES Committee, I see opportunities to improve further the working environment for our employees and our local community and develop our initiatives to all our benefit.

Alison Baker

Chair of the HSES Committee

1 March 2019

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Introduction

Strategic report

Corporate governance

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Shareholder information

Open pit mining view from the cab of the face shovel.

Introduction

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.

Josef El-Raghy

Chairman



Dear shareholders

2018 was a challenging year for Centamin, but despite the operational challenges, costs were kept under tight control and Centamin remained cash generative. This allowed the Board to declare dividend payments of US\$63.5 million for 2018.

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 open pit has a mine life in excess of 15 years. Longer term, exploration projects in West Africa continue to be promising, with further progress at our two projects in Côte d'Ivoire.

The results of the AGM this year were disappointing, with shareholders electing to vote against the remuneration policy and significant votes were cast against the remuneration report. The Board took immediate steps to address shareholder concerns, engaging with key shareholders and proxy advisory groups to understand fully the areas for concern. The changes made to the remuneration policy and remuneration reporting that have been implemented in the report takes account of feedback from the engagement process.

Progress has been made throughout 2018 to ensure opportunity for Board refreshment and succession with two new non-executive appointments this year. A recruitment consultant is actively pursuing three additional Board appointments. Two additional independent Non-Executive Directors are to be identified and will provide continuity for the Board and succession for those Directors approaching the end of their period of independence. My role as Non-Executive Chair is mandated to ensure continuity and stability during this transitional phase and, aided by the Nomination Committee and the recruitment consultant, we will, in addition to the two new Non-Executive Directors, identify a suitable candidate to succeed me and take on the role of Non-Executive Chair. This process is expected to be completed during 2019.

Our Board composition and approach to leadership are set out in detail on page 88. Within the governance 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 2016 Code compliance can be found in the following areas of the 2018 annual report and accounts:

- C.1.1. Fair, balanced and understandable (applied across the strategic, governance and financial review 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 the 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).

2018 has been a challenging year operationally and the focus on 2019 is firmly on delivering strong operational performance and continuing to manage costs. We enter 2019 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 2019 and the prospect of a new Chair provides shareholders with assurance of continuity as well as staged and progressive refreshment of the Board.

Josef El-Raghy

Chairman

1 March 2019

Governance and Code compliance at a glance

LEADERSHIP	EFFECTIVENESS	ACCOUNTABILITY	REMUNERATION	SHAREHOLDERS
Separate roles undertaken by the Chairman and CEO.	Over half the Board are independent Non-Executive Directors.	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. Plans to recruit three new independent Non-Executive Directors.	Increased role and scope of the internal auditor since its appointment in 2015.	Improvements proposed to the performance share plan in line with the 2018 Code.	AGMs held with key Directors in attendance.
Regular meetings of the Board and committees and exemplary attendance record.	Ensuring a diverse Board in all respects.	Defined strategic objectives and long term business viability.	Enhanced claw back provision. Deferral provisions for executive bonus from 2019.	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.	Remuneration policy for three year approval.	Investor meetings, capital markets day presentation.

Compliance statement

The Company is incorporated in Jersey, Channel Islands. The Company, by virtue of the Listing Rules, is subject to the 2016 Corporate Governance Code (the “2016 Code”) issued by the UK Financial Reporting Council (“FRC”) 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).

The Company has applied the main principles set out in the 2016 Code (see table above), with further details in this section of the annual report enabling shareholders to evaluate how the principles have been applied.

Throughout the year ended 31 December 2018, 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 Chair within the meaning of the 2016 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 Board determined that Alison Baker is independent within the meaning of the 2016 Code. The Board noted that although Alison was a former PwC partner, she had 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.

Introduction continued

Compliance statement continued

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. The Company has also incorporated many additional and voluntary disclosures in its strategic report.

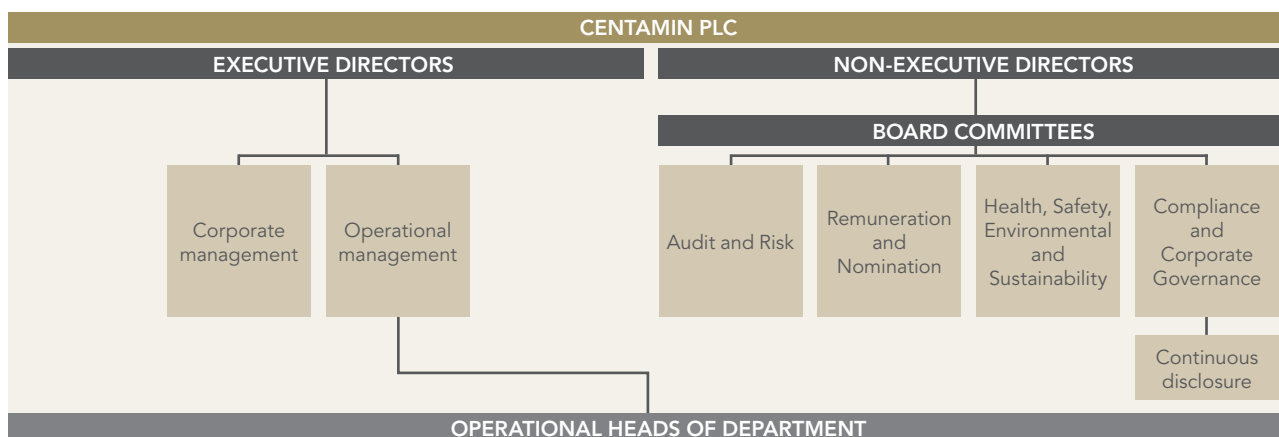
The Company's diversity policy is set out in the Nomination Committee report, noting that the Company's policy considers the composition of the Board and the pipeline of talent within the organisation, having regard to gender, ethnicity, age and educational and professional backgrounds.

The Board and committees have considered the new UK Corporate Governance Code ("2018 Code") published by the FRC in 2018 that applies to financial years beginning on or after 1 January 2019. A full report on the application of the 2018 Code will be included in the 2019 annual report and accounts. Since the publication of the 2018 Code the Board and committees have considered the changes and set out below are the initial actions in response to the new requirements:

- **leadership and purpose:** the Board and committees considered the 2018 Code and associated guidance and in particular the questions posed by the FRC for boards. An agenda item for all committees will be to continue to assess adherence to the 2018 Code and make any recommendations to the Board:
- the Company's purpose and values are integral to the Company's success and ensuring they remain relevant and are communicated to the business is a key part of the Board's objective throughout 2019;
- workforce engagement will be actioned through the HSES Committee and the existing labour and workforce committees onsite at Sukari. The HSES Committee will ensure regular (at least quarterly) meetings are scheduled and held with the workforce Committee to ensure views are heard and direction from the Board is shared via this forum. In addition, the HSES committee will assess the stakeholder engagement plans covering investors and shareholders and suppliers, contractors and employees; and
- as a Jersey registered company, the full requirements of section 172 of the UK Companies Act 2006 ("section 172") are additional to the Directors' current obligations under Jersey Law. Understanding and, where necessary, implementing and updating policies to ensure compliance with section 172 will be essential as we work through 2019. The CGC Committee will work with the HSES Committee to ensure compliance with section 172 and make recommendations to the Board as to what further actions are to be implemented.
- **division of responsibilities:** The governance report sets out the responsibilities of the executive. The Nomination Committee has considered, in detail, Provision 19 of the 2018 Code in relation to the role of the Chair and the succession and recruitment plans that are in place;
- **composition, succession and evaluation:** The actions of the Nomination Committee include considering the length of service as a whole and ensuring plans are firmly in place for Non-Executive Director rotation and refreshment of the Board. The Committee will also consider executive and senior management succession and talent management. Also, the Committee will be recommending the appointment of an external facilitator in 2019 to assist with the evaluation of the Board, committees and individual Directors (the last such external evaluation having taken place in 2016);
- **audit, risk and internal control:** Details of the Audit and Risk Committee's actions during 2019 and their initiatives are set out in the audit and risk report on page 108 to 117; and
- **remuneration:** The Company's revised and updated remuneration policy is presented in the Remuneration Committee report on page 118 to 143 and takes account the 2018 Code and accompanying guidance, as well as feedback following shareholder and investor engagement. The policy will be subject to shareholder approval at the AGM in 2019 and, following approval, will be in place for three years. The Board has determined and considers that the new remuneration policy is aligned with the provisions in the 2018 Code.

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 the Chair, Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), and five independent Non-Executive Directors. See Directors' details on pages 94 and 95.

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 Committee	Health, Safety, Environmental and Sustainability Committee	Compliance and Corporate Governance Committee	Remuneration Committee	Nomination Committee
Executive						
Andrew Pardey	(C.) 6 of 6					
Ross Jerrard	5 of 5					
Non-executive						
Josef El-Raghy	5 of 6					
Edward Haslam	6 of 6	6 of 6	3 of 3	3 of 3	(C.) 4 of 4	(C.) 6 of 6
Dr Fawzy	1 of 2					
Alison Baker	5 of 5		(C.) 3 of 3			6 of 6
Mark Bankes	6 of 6	6 of 6	3 of 3	(C.) 3 of 3	4 of 4	
Mark Arnesen	6 of 6	(C.) 6 of 6		3 of 3	4 of 4	6 of 6

(C.) Chairing the meeting and/or Chairperson of the Board or committee. Josef El-Raghy was absent from one meeting due to medical reasons and that meeting was chaired by the Deputy Chair, Edward Haslam.

The table excludes meetings held by written resolutions or sub-committees and reflects membership during 2018. The Board met six times during the year, with three further 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 and election for Dr Fawzy. 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 CFO, Ross Jerrard is responsible for delivering the financial reporting, reviewing the strategy for risks and opportunities and representing the Company with key stakeholders (including government officials).

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; and

- communicates with shareholders in relation to the Company's strategic aims and policies.

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 and communicating to the workforce the Company's culture and values.

The Chief Financial Officer:

- is responsible for delivering external financial reporting in compliance with the required regulations;
- oversees the preparation of strategic and financial budgets for the Group to ensure financial commitments are met;
- develops and maintains a sound system of financial controls and adherence to the Group's policies and procedures;
- identifies and implements risk management practices;
- represents the Group before key stakeholders including government officials (including EMRA); and
- monitors external contracts and supplier relationships to ensure they are operating effectively.

The Non-Executive Directors:

- challenge and help develop the Group's strategy;
- participate as members of the Board and 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;

- raise any concerns with the Board or with management; and
- monitor corporate culture and stakeholder engagement.

Details of the senior management team are set out on pages 96 and 97.

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 is 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 governance reports as explained in the table below.

Health, Safety, Environmental and Sustainability Committee – strategic report pages 80 and 81	Sustainability report – see the HSES Committee report on page 80 and 81 and separately published sustainability report
Audit and Risk Committee – governance report page 108	Risk and control environment – see audit and risk report on page 116 and 117
Remuneration Committee – governance report pages 118 to 121	Directors' remuneration report – see pages 118 to 143
Nomination Committee – governance report page 100	Succession planning – see the Nomination Committee Report on page 101
Compliance and Corporate Governance Committee – governance report pages 98 and 99	Compliance statement with the Corporate Governance Code – see page 85 and 86

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 2018

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 2018 and approval of revised guidance and cost estimates.
Sustainability – operational efficiency	Review proposals for contract and supplier tendering and systems improvements.	Review life of mine plans, reserve and resource data, operational forecasts and detailed comparisons of budget and actual data. Cost control measures, system improvements.
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. Review drill results and geological assessments. Assess project viability and resource data for home grown projects.
Social responsibility – health and safety	Sukari operational review, health and safety statistics and monthly reporting. Review of existing projects and maintenance programmes. Develop policies to meet GRI compliance.	Risk review and response to incident reporting. Project implementation in Marsa Alam, Egypt. Employee initiatives and awareness campaigns. Review human rights policies and understand the impact of modern slavery in host nations. Develop projects to reduce emissions.
Mine optimisation	Review of production estimates, timely reporting of revised forecasts, revised guidance and supporting schedules ahead of both re-guidance announcements during the year.	Approval of revised guidance. Site visit to review first hand measures to support revised mine plan. Invitation to the Board of key site personnel and senior management to review production schedules.

Introduction continued

Key activities of the Board in 2018 continued

STRATEGIC		
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 statements.	Drilling programmes and resource updates in Côte d'Ivoire. Ensure allocation of resources across the prospects and targeted exploration programmes.
Social responsibility – health and safety	Integrated reporting of HSES statistics.	Review of monthly reporting to the Board.
CORPORATE, LITIGATION AND RISK		
	ACTIVITIES	ACTION
Optimal growth	Strategic review of business development opportunities including potential M&A.	Strategy review and ad-hoc meetings to assess opportunities.
Corporate	Review the 2018 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 2.7 and 5.1).	Board and committee appointments. Approve scope of external legal advisers, and in-house personnel. Confirm litigation strategy and review changes in the legal system.
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 Dr Fawzy as Non-Executive Directors and committee appointments. Approval of appointment of Ross Jerrard (CFO) to the Board. Approval of the change in role of the Chair, Josef El-Raghy.
Succession – Nomination Committee recommendations	Review of succession plans for Board and management, diversity and Board performance and evaluation.	Agreement on timing/priorities for succession planning for key roles and improving Board effectiveness. Appointment of senior personnel.
Remuneration – Remuneration Committee recommendations	Review of KPIs for the Executive Directors and senior management and reviewing performance appraisals.	Stakeholder engagement to prepare new remuneration policy for shareholder approval. 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 'SHAREHOLDER ENGAGEMENT'

The AGM result in 2018 required immediate action by the Board. The Board set out a plan to engage with shareholders and proxy advisory groups to address their concerns and understand the reasons for the significant votes cast against the members of the Remuneration Committee and the remuneration policy/report.

In the days leading up to the AGM in 2018, the Board reviewed all available material, including recently published proxy advisory reports in connection with the Company's forthcoming AGM and direct shareholder and investor feedback. This information allowed the Board to form a view and respond via a regulatory news announcement on the day of the AGM in compliance with E.2.2 of the 2016 Corporate Governance Code.

The Board instructed a formal tender process to appoint a remuneration specialist to advise the Committee. It was clear from the initial feedback that whilst there were areas within the policy that could be improved, there was not an issue over, for example, quantum of pay and therefore the review would be focused heavily on ensuring the policy met with industry best practice.

The Remuneration Committee finalised the tender process and appointed Korn Ferry, who worked with the Committee to identify areas within the policy that could be remedied immediately. This followed a thorough review of the policy ensuring any proposed changes aligned with the Company's strategic objectives and would meet the approval of the shareholders, Committee and the Executive Directors.

The Committee has, throughout this process, recognised that its responsibility in serving the interests of shareholders must also include developing a remuneration structure that motivates and retains its Executive Directors.

Formal letters inviting engagement on the draft remuneration proposals were sent to major shareholders and proxy advisers, and where possible, face to face meetings with the Committee Chair were arranged.

The review process, carried out in conjunction with the Committee, ensured formal procedures were in place to align the bonus targets with the Company's strategic objectives and track progress against these measurable targets during the year. The alignment of the remuneration policy, the share plan rules and the executive contracts has also been thoroughly reviewed as a result of this process. The Board is pleased to recommend the approval of the remuneration policy, remuneration report and performance share plan to shareholders at the forthcoming AGM in April 2019.

Areas of focus for the Board in 2019

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 the Company maintains its social licence to operate can be found in the strategic report. Areas of focus will relate to the exploration programmes in Côte d'Ivoire towards pre-feasibility studies and exploitation licence renewals in Burkina Faso. Two major capital projects are being assessed including a solar farm and new tailings storage facility which are to be presented for Board approval in 2019.

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 2019 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 2019 to identify the next scoping phase. BDO LLP will review the Company's procurement and contract management, key financial processes, inventory management and corporate policy review.

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.

Introduction continued

Areas of focus for the Board in 2019 continued

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

Succession and personnel: Delivering on the planned appointments of three new Non-Executive Directors to the Board, one of whom will transition into the role of Non-Executive Chair. Ensuring vacant positions at senior levels are recruited and a review is carried out of additional personnel requirements at a corporate and operational level.

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 February 2019 for the year ended 31 December 2018.

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.

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 and Dr Ibrahim Fawzy as independent Non-Executive Directors and promotion to Board level for Ross Jerrard (CFO). The recommendation for the appointment of a three new independent Non-Executive Directors in 2019 is underway, with one of those appointments to be of the calibre to succeed the Chair.

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, including the overall length of service of the Board as a whole, 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 38 to 49.

The Board is pleased to confirm that the Company remains in compliance with best practice guidelines, with the 2016 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 are part of a continuing process of improvement.

Employees

Information relating to employees is contained in the sustainability report which is published separately to this 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 sustainability report which is published separately.

Environmental compliance

The Directors are aware of their commitment to environmental, community and social responsibility, details of which can be found in the sustainability report which is published separately. 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 2.9 to the financial statements.

Board of Directors



Josef El-Raghy CHAIRMAN (NON-EXECUTIVE CHAIR FROM JANUARY 2019)

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

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.

Director since 26 August 2002

Board meetings attended 5/6



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

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.

Director since 1 February 2015

Board meetings attended 6/6



Ross Jerrard CHIEF FINANCIAL OFFICER (SINCE 18 APRIL 2016)

Ross was appointed Chief Financial Officer of Centamin in April 2016. Since then, Ross has assembled and led an excellent finance team between Jersey, Egypt 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 reporting timetables of accounts. Ross was appointed as a Director to the Board in February 2018.

Experience

Before joining Centamin, Ross was 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.

Director since 5 February 2018

Board meetings attended 5/5



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.

Experience

Edward has been a non-executive Director (and Chairman from June 2007 to April 2012) of the LSE listed Talvivaara plc (since 1 June 2007) and from 1 May 2004 to April 2016 has been a non-executive Director of Aquarius Platinum Ltd. In 1981, Edward joined Lonmin; he was appointed a Director in 1999 and chief executive officer in November 2000 before retiring in April 2004. Edward is a Fellow of the Institute of Directors (UK).

Committee membership

Remuneration Committee (Chair) Nomination Committee (Chair); Audit and Risk Committee; Compliance and Corporate Governance Committee; and HSES Committee.

Director since 23 March 2011

Board meetings attended 6/6



Alison Baker
INDEPENDENT NON-EXECUTIVE
DIRECTOR

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. Alison is also a Non-Executive Director at KAZ Minerals plc and Rockhopper Exploration plc.

Committee membership

Chair of HSES Committee; and member of Nomination Committee.

Director since 5 February 2018

Board meetings attended 5/5



Mark Banks
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.

Experience

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

Committee membership

Compliance and Corporate Governance Committee (Chair);
HSES Committee (until December 2018);
Audit and Risk Committee; and Remuneration Committee.

Director since 24 February 2011

Board meetings attended 6/6



Dr Ibrahim Fawzy
INDEPENDENT NON-EXECUTIVE
DIRECTOR

Dr Fawzy has over 50 years of experience working with industrial and investment companies in Egypt and abroad. He holds a BSc Degree in Mechanical Engineering from the University of Cairo and a PhD from University College London. Dr Fawzy held the position of Minister of Industry of Egypt from 1993 to 1996 and President and CEO of the General Authority for Investment and Free Zones ("GAFI") in Egypt from 1996 to 2000.

Experience

Dr Fawzy is currently the Chairman of the Cairo stock exchange listed Company, Egyptians Abroad Company for Investment & Development and Director of its subsidiaries. Dr Fawzy was also a non-Executive Director of NASDAQ listed Quality Systems Inc. in California from 2007 to 2010 where he was also a member of Nomination and Remuneration Committee.

Committee membership

HSES Committee (effective 1 January 2019);
and CGC Committee (effective 1 January 2019).

Director since 14 August 2018

Board meetings attended 1/2



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.

Experience

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

Committee membership

Audit and Risk Committee (Chair);
Compliance and Corporate Governance Committee; Remuneration Committee; and
Nomination Committee.

Director since 24 February 2011

Board meetings attended 6/6

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

Norman Bailie

GROUP EXPLORATION MANAGER

Norman joined Centamin in October 2016 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 Geological Society UK and AusIMM, and a fellow of IOM3 UK and SEG USA as well as a competent person under JORC/43-101 criteria.

Since 10 October 2016

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. Mark holds a Bachelor of Engineering (Mining Engineering) and a Masters of Engineering Science (Mining Geomechanics) from Curtin University in Australia.

Mark Morcombe is serving three months' notice under the terms of his contract at the date of this report.

Since 8 January 2018

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 programmes in the host country as well as conflict resolution and dealing with key stakeholders to maintain our social licence to operate.

Since 31 May 2016

Chris Boreham

GENERAL MANAGER – SUKARI (FROM 1 MARCH 2017 TO JULY 2018)

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. Having served over 12 years with the Company, Chris resigned earlier this year to pursue other interests.

Raitt Marshall

GENERAL MANAGER – SUKARI (FROM JULY 2018)

Raitt holds a BSc Mechanical Engineering degree from Dundee college of Technology. He has over 20 years' experience in the mining industry having worked predominately in aluminium and gold mines.

Since July 2018

Doaa About 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 Financial Controller 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

Amr Hassouna

COMMERCIAL MANAGER (SUKARI)

Amr has been working at Sukari since March 2012 and was promoted to Management Accounting Manager in February 2015 and to Commercial Manager in November 2017. Amr brings to the role a wealth of experience and understanding of the operating and commercial environment in Egypt. Prior to joining Sukari, Amr was working in the oil and gas field in Egypt for eight years. Amr holds a Bachelor Degree in Finance and Accounting from Alexandria University and membership of IMA (Institute of Management Accountants).

Since March 2012

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

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 twelve 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

The Board recognises the importance of keeping the market fully informed of the Group's activities and of communicating openly and clearly with all stakeholders.

Mark Bankes

Chairman of the Compliance and Corporate Governance Committee



Dear shareholders

I am presenting this corporate governance report in my capacity as Chairman of the Compliance and Corporate Governance Committee ("CGC 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 four independent Non-Executive Directors, Edward Haslam, Mark Arnesen and me as Chairman with Dr Ibrahim Fawzy joining the Committee on 1 January 2019. Biographies of members of the Committee can be found on pages 94 and 95. All Committee members attended all three scheduled meetings during 2018.

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 5.1 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 5.1 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	A formal Disclosure Committee met regularly during 2018 to evaluate public announcements and matters which may develop into inside information.
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.
2018 Corporate Governance Code	The Committee considered the impact of the 2018 Code and the required changes at a Board, committee and operational level. Details of the matters considered are set out on page 86
Regulatory and legal review and advising on related training requirements for the Board, management and workforce	The Committee receives updates on changes to the regulatory and legal environment. These changes are considered when reviewing corporate policies. The training needs of the Board, management and wider workforce are also considered. Feedback on site based training is provided to the Committee.

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 to 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. A review of the Company's code of conduct, HSES policies, supplier charter and human rights policy is underway, taking account of local Egyptian laws and regulations. Having given further consideration to the 2015 Act and related UK guidance on adherence with the Act's principles, the Company is also carrying out a risk assessment of its suppliers.

This process will allow the Company to focus its attention on higher risk suppliers within the supply chain and provide education to ensure awareness and understanding of the Act.

The CGC Committee is also monitoring progress in Australia as they introduce new Modern Slavery Act legislation. Adherence and reporting under the Australian legislation will be assessed in 2019.

Shareholder communication

All shareholders are encouraged to attend our AGM on 8 April 2019, 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

1 March 2019

Nomination report

The Board has been refreshed with three new appointments and there is a pipeline of talent amongst the senior management team.

Edward Haslam

Chairman of the Nomination Committee



Dear shareholders

I am presenting this report as Chairman of the Nomination Committee, a committee established by the Board of the Company.

During the year, the Committee led the process to identify two new independent Non-Executive Directors and are delighted to welcome to the Board Alison Baker, who joined in February 2018 and Dr Ibrahim Fawzy, who joined in August 2018.

The Committee also reviewed the succession planning for Executive Directors on the Board and recommended the appointment of Ross Jerrard, who became a member of the Board in February 2018 as Chief Financial Officer, duly appointed from within the Company.

Throughout 2018, the Committee carried out a competitive recruitment process to identify candidates for the role of Non-Executive Chair. The Committee successfully identified a short list of candidates and proceeded to the final interview stage in late November after which the Committee felt that they were unable to recommend to the Board the appointment of any of the finalists and so took the decision to appoint recruitment consultant, Egon Zehnder to assist and extend the search. In the intervening period, Josef El-Raghy agreed to change his role and serve on the Board as a Non-Executive Chair. A key priority during 2019 for the Committee will be to complete the recruitment process and identify

an independent Non-Executive Director who will transition to Chair the Board. Further details of this process are set out below.

The Committee met six times during the year, with one further meeting held by way of written resolution, and undertook the following activities:

- active requirement programme to identify a candidate for the role of Non-Executive Chair;
- recommended the appointment of two independent Non-Executive Directors;
- reviewed the Board succession plans and recommended the appointment of the CFO to the Board;
- contributing to the succession planning and progress to fill vacancies among the senior management team;
- made recommendations to the Board on the appointments to the committees;
- 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 to the Board for the appointment and re-election of Directors;
- considered the requirements for Board diversity (including gender and ethnic diversity);
- reviewed the Company's diversity policy at Board, senior management and operational level;

- reviewed the policy on senior and executive recruitment and succession planning;
- review of the new Corporate Governance Code and required changes to the Nomination Committee charter; and
- tender process to identify and engage an internationally recognised recruitment firm.

It has been an active year for the Committee, and as Chairman I am pleased with the progress the Committee has made during 2018. The Board has been refreshed with three new appointments and there is a pipeline of talent amongst the senior management team, which will ensure we have the right experience and opportunity for succession. There are challenges for the Committee in 2019, with three non-executive roles to fill, one of whom will be the successor for the Non-Executive Chair. The Committee will also assist with scoping of roles and identifying individuals among the senior management team to ensure a strong and robust team 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

1 March 2019

Nomination Committee

As at the date of this report, the Nomination Committee comprises Edward Haslam (Chairman), Alison Baker and Mark Arnesen, all of whom are independent Non-Executive Directors. The Nomination Committee welcomed Alison Baker, who joined on appointment to the Board on 5 February 2018.

Board diversity

The Nomination 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 recommending the planned appointments this year. In assessing candidates for the position of Chair of the Board and any other new non-executive appointments, the Nomination Committee will continue to consider the size, composition and length of service of the Board as a whole, to ensure diversity of gender, ethnicity, age and educational and professional backgrounds.

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 and the Parker review on board composition and will continue to have regard to these reports and make every effort to adhere to the reports when undertaking the recruitment process and making recommendations to the Board.

Details of the current composition of the Board and the wider management team are set out in the governance 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. An initiative, driven by the HSES Committee, has been undertaken to carry out a review of the gender statistics for non-specific or prohibited roles. The results of this review are expected in March 2019 and the Nomination Committee will work with the HSES Committee to consider any proactive measures that could be taken to provide employment for women at Sukari.

A greater percentage of women are employed throughout the Group in the administrative offices in Egypt, Alexandria 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 with a third of all direct reports to the executive being women. Full details of the workforce can be found in the 2018 sustainability report, which is published separately.

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

The Nomination Committee considered the gender pay gap 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 2016 Code and National Instrument 58-101 and the FCA Listing Rules.

Nomination report continued

2018 Corporate Governance Code

The Nomination Committee considered the requirements of the 2018 Code and FRC guidance and noted below are the main additional features the Committee will take forward in 2019:

- **Gender pay gap:** further to the notes above, the Nomination Committee will have regard to the structure of the workforce and plans to identify and reduce instances of the gender pay gap and will work closely with the Remuneration Committee on this matter.
- **Workforce diversity:** the Nomination Committee will work with the HSES Committee on initiatives to identify opportunities to improve diversity (particularly gender diversity) within the workforce. The HR department will, during 2019, report to the HSES Committee on these initiatives.
- **Overboarding:** the Nomination Committee will be actively involved in advising the Board when approval for any new appointments is considered, such that acceptance of any new appointment does not compromise the commitment and effectiveness of the Directors. All new appointments are subject to Board approval.

- **External evaluations:** the Nomination Committee engaged with an external facilitator to run the Board evaluation in 2016. The evaluation was carried out through questionnaires and face to face interviews with all Directors and provided insightful evaluation. The Nomination Committee will conduct an external Board evaluation in 2019 and take into consideration the recommendations of the 2018 Code to ensure the evaluation continues to provide meaningful insight.
- **Talent management:** the Nomination Committee will take an active interest in how talent at an operational and corporate level is identified, assessed and ensuring programmes are in place so that individuals are sufficiently challenged and have a clear career path.
- **Chair tenure:** the Nomination Committee considered Provision 19 of the 2018 Code in detail when recommending the continuation of the now, Non-Executive Chair, on the Board. In line with the 2018 Code, the Nomination Committee and Board believe that it is in the best interest of the Company and its stakeholders that the Chair continue as Non-Executive Chair for the coming year, having consulted with major shareholders. During this time, the recruitment process to identify an independent Non-Executive Director to transition to the role of Non-Executive Chair remains a key priority.

Board rotation and refreshment

The Nomination Committee and Board are mindful that three of the Company's independent Non-Executive Directors will, this year, have served on the Board for eight years. The 2016 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. The 2016 Code also allows the Board to state its reasons if it determines that a director is independent notwithstanding a director having served on the Board for more than nine years from the date of their first election.

After carrying out the review and giving due consideration to the independence of the independent Non-Executive Directors on the Board, the Nomination 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 2016 Code. It was noted that there was no immediate requirement for rotation, however a staged rotation is in progress with the appointment of two independent Non-Executive Directors in 2018 and plans to appointment three further Non-Executive Directors which will then allow for further committee membership changes and Board rotation.

The Nomination Committee had recommended to the Board the following key appointments:

	BOARD COMMITTEE	REMUNERATION COMMITTEE	NOMINATION COMMITTEE	CGC COMMITTEE	HSES COMMITTEE
Josef El-Raghy (change in role)	Non-Executive Chair				
Ross Jerrard	Director (CFO)				
Alison Baker	Director		Member		Chair
Mark Bankes (change in role)		Member			Member until 31 December 2018
Dr Ibrahim Fawzy	Director			Member	Member

Notes to the table: Dr Ibrahim Fawzy was appointed to the HSES Committee in January 2019 replacing Mark Bankes.

The following table to shows the appointments and role changes during the year.

ROLES	INDIVIDUALS	RECRUITMENT PROCESS	INDUCTION AND TRAINING
Change in role and process to appoint an independent Non-Executive Chair	Josef El-Raghy Recruitment in progress for independent Non-Executive Chair	The Nomination Committee has defined the role, character and attributes ideally suited for the successful candidate to succeed the Chair. Internationally renowned recruitment adviser, Egon Zehnder, has compiled a list of candidates and interviewed Board members to ensure a clear understand of the role and required attributes of the candidate.	As a long-standing member on the Board, the induction and training was tailored to define the new role, scope and time commitment and provide an update on the 2018 Code. Josef El-Raghy held discussions with the Nomination Committee prior to accepting the Chairman position and transitioning from executive to Non-Executive Chair. The discussions helped shape the role and expectations for 2019, understand the areas where delegation of responsibilities to the executive needed to occur and the expected time commitments and priorities for 2019. As a former executive, these discussions were important to manage expectations and ensure reporting lines were understood between the Chair, the Board and the executive. Details of the executive roles are set out in the governance report.
Independent Non-Executive Directors	Recruitment in progress	The Nomination Committee has defined the roles needed in the near future, identifying candidates with operational background and those with a finance/M&A background. One person is to transition to Non-Executive Chair and one is to become Senior Independent Director by the AGM in 2020. Recruitment adviser, Egon Zehnder, has compiled a list of candidates and interviewed Board members to ensure a clear understanding of the role and required attributes of the candidates.	A full induction will be carried out for the candidates. Additionally, during the due diligence phase, shortlisted candidates will have an opportunity to visit the mine, meet with the Non-Executive and Executive Directors and senior management. The newly appointed Chair may serve part of the year as an independent Non-Executive Director to ensure a smooth transition.
Independent Non-Executive Directors	Alison Baker and Ibrahim Fawzy	See case study on page 104.	See case study on page 104.
Chief Financial Officer to the Board	Ross Jerrard	See case study in the 2017 annual report	See case study in the 2017 annual report

Nomination report continued

Board rotation and refreshment continued

CASE STUDY: RECRUITMENT PROCESS – ALISON BAKER

The Nomination Committee was active throughout 2018 in identifying suitable candidates to join the Board as independent Non-Executive Directors. The Committee considered the skills, experience needed immediately and in the future. The Committee also considered further the Company's policy on diversity, the current size, composition and length of service of the Board as a whole 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.

Following consultation with a recruitment adviser 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 became a member of the Board on 5 February 2018.

Induction and training – independent Non-Executive Directors

A detailed induction pack was prepared for Alison, covering all key policy documents, relevant operational and financial reports and key papers about 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 roles to be undertaken for the Nomination and HSES Committees. The initial induction process was conducted in an open forum allowing a Q&A with the members of the executive and senior management team.

Training requirements were discussed with Alison and external legal advisers delivered bespoke training and refreshed 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 visited the site in Egypt to see first-hand the modern mining operation at Sukari. Alison returned to site in July and September 2018, in her role as HSES Committee Chair, to review the site-based health and safety environment, see the existing community projects and met with key members of the community to identify projects for the future.

CASE STUDY: RECRUITMENT PROCESS – NON-EXECUTIVE CHAIR

Throughout 2018, the Nomination Committee carried out a competitive recruitment process to identify candidates for the role of Non-Executive Chair.

The Nomination Committee started by scoping the chair role by evaluating the strategic needs of the Group and the attributes the Chair would need to deliver those goals. The Committee also considered the current Chair's role, the skills and abilities that the Board admired, such that those qualities could also be identified in potential candidates. Consultants were used to assist in the early stages of the review to identify potential candidates.

The Nomination Committee considered over 40 individuals for the role, approached 15 individuals and ultimately shortlisted three individuals for interview. From the shortlisted candidates, detailed discussions took place with one candidate and included a visit to Sukari.

Having identified a short list of candidates who proceeded to the final interview stage, in late November the Nomination Committee felt that they were unable to recommend to the Board the appointment of any of the finalists and so took the decision to appoint recruitment consultant, Egon Zehnder to assist and extend the search.

As a consequence, Josef El-Raghy, current Executive Chair, will remain at the Company in the role of Non-Executive Chair during the coming year to provide continuity during this period.

A key priority during 2019 for the Committee will be to complete the recruitment process and identify an independent Non-Executive Director who will transition to Non-Executive Chair.

Board effectiveness review

Each of the Board committees carries out a self-assessment evaluation of their effectiveness over the year. This review compares the responsibilities and objectives of each committee against the activities carried out during the year. This evaluation is presented to the Board for review.

The Nomination Committee, in consultation with the recruitment adviser, consider the key dimensions for a successful Board: balance, alignment, resilience, energy, openness and efficiency. Questions posed to the Board members individually, are taking into account when framing and scoping attributes, skills and experience for potential new Board members. An assessment of the composition of the boards of peers within the industry is considered, this covers the skills, experience and diversity of the Board (see graphic). The Nomination Committee identified that the average number of years served on the Board needed to decrease, a process which is underway through appointment and rotation. The Board size would likely increase during the period of appointment, handover and succession but the optimum size for the Company was considered to be eight Board members (two of whom are Executive Directors). Although mining experience was sufficiently prevalent across the Board, operational experience at a Non-Executive Director would need to be addressed in 2019. Independence in strict compliance with the 2018 Code would need to be addressed during the year to ensure succession and timely handover of responsibilities.

Three key members reach eight years' service on the Board this year, and all three individuals occupy Chair roles on the Company's committees and one is the Senior Independent Director and Deputy Chair.

The internal annual performance evaluation of the Board was completed in February 2019 for the year ended 31 December 2018.

The next scheduled review of the Board's effectiveness by an external facilitator is due to take place during 2019.

Board effectiveness – structure



Nomination report continued

Q&A to assess Board effectiveness

DIMENSIONS:	QUESTIONS:		BY:
Balance: Diversity of relevant skills, styles and perspectives is recognised and effectively leveraged	How do we utilise the skills and knowledge of all Board members?	Are Board members respected and valued? Do individuals dominate discussions?	Questionnaire and team effectiveness review
Alignment: Board members understand objectives and deliverables and consistently focus on corresponding actions	How does the Board reach consensus on issues? Agree on the strategic priorities?	Does the Board focus on the right issues?	Skill gap analysis
Resilience: Trust and respect support the constructive surfacing and resolution of issues, and sustains effectiveness under pressure	How well does the Board operate under pressured situations?	How is conflict managed and do Board members stand behind the decisions?	360 degree feedback – viewed by key stakeholder
Energy: The Board is energised by working together and is proactive and able to sustain momentum	How ambitious is the Board? How does this manifest in strategy setting?	What is the pace of the Board and responsiveness to opportunities?	Board and management relationship effectiveness
Openness: The Board shares its ideas with, and adopts new thinking from, the broader organisation and outside world	Give examples of where the Board has drawn in new ideas?	How does the Board keep track of changes in industry?	Benchmark analysis – best practice and peer group
Efficiency: The Board optimises resources to achieve results through a disciplined management process	How effective is the Board at making decisions? Is the Board learning from experiences?	Are there clear rules of engagement for decision making?	Deep dive impact – assessment of past decisions

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 on 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 appointments during 2018 and the recommendation to appoint Egon Zehnder to recruit three independent non-executives, one of whom will succeed the Chair.

Evaluation of current Board skills, experience and diversity and target areas for 2019

	BOARD SIZE	GENDER DIVERSITY	ETHNIC DIVERSITY	MEDIAN AGE	INDEPENDENT DIRECTOR	QUALIFIED FINANCIAL EXPERT	OPERATIONAL EXPERIENCE	MINING INDUSTRY	CAPITAL INTENSIVE INDUSTRY	REGULATORY/ GOVERNMENT	RISK MANAGEMENT	CEO EXPERIENCE	EMERGING MARKETS / AFRICA	HEALTH & SAFETY	AVG. YEARS ON BOARD
	8	13%	13%	56	63%	38%	25%	50%	75%	25%	25%	38%	75%	25%	6
2018															
2019															

Change during 2018: Increased  / Constant  / Reduced 

Nomination Committee targets in 2019: Increase  / Constant  / Reduce 

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 February 2019. 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 February 2019. The Nomination Committee noted that, in accordance with the Company's Articles, all Directors be subject to re-election at the forthcoming AGM and that their re-appointment be recommended to shareholders.

Details of the appointment process for the independent Non-Executive Director are set out earlier in the report.

The Nomination Committee continues to work closely with the Chairman and CEO to ensure that the roles and responsibilities are clearly defined, and that the CEO has the required support of the Board and senior management to undertake the role effectively.

The performance of all Directors is constantly reviewed by the Chairman and, periodically, by the Nomination Committee. The Company deployed a formal process for evaluation of the Board, the Board members, the Board's 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.

Audit and risk report

I am pleased to present this report covering the activities of the Audit and Risk Committee during 2018.

Mark Arnesen

Chairman of the Audit Risk Committee



Dear shareholders

I am pleased to present this report covering the activities of the Audit and Risk Committee during 2018.

The report also summarises the work of the external auditor and our assessment of its effectiveness, the activities and assurances given by the internal auditor and the responsibilities of the Audit and Risk Committee in line with the 2016 Code. As a committee reporting to the Board, the Audit and Risk Committee considers in detail the suitability of the Company's risk management and internal control systems.

Audit and Risk Committee composition and effectiveness

The Audit and Risk Committee has three independent Non-Executive Directors: Mark Bankes, Edward Haslam and me as Chairman. All members attended all six scheduled committee meetings during 2018. Biographies of the members of all committees can be found on pages 94 and 95.

This report is presented in accordance with the Company's UK and Canadian listing rules. In accordance with the Ontario Securities Commission, all members of the Audit and Risk 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.

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 Audit and Risk Committee Chairman and the CFO. The Audit and Risk Committee Chairman also meets with the internal auditor.

In addition to the scheduled quarterly meetings, the Audit and Risk Committee also meet, by way of conference calls, at least once a quarter to review the draft quarterly financial information and interim MD&A (a requirement of the Toronto Stock Exchange). As at 1 January 2019 Centamin plc is a "designated foreign issuer" within the meaning of the National Instrument 71-102 – Continuous Disclosure and Other Exemptions Relating to Foreign Issuers and is subject to the foreign regulatory requirements of the London Stock Exchange. As such, Centamin plc is exempt from certain requirements otherwise imposed on reporting issuers in Canada. This status will mean that the preparation of quarterly financial statements and MD&A will not be required in 2019. Quarterly preliminary costs and production will, however, be published following each quarter end.

A summary of the Audit and Risk Committee's responsibilities for the main activities during 2018 are set out below:

TOPICS	COMMITTEE RESPONSIBILITIES AND ACTIVITIES DURING 2018
External auditor	Reviewing and approving the external auditor's terms of engagement plan, scope of work, fees, the findings arising from all external audit work and external auditor performance.
Internal audit	Approval of the scope of the internal audit function and review of work carried out in 2018.
Responding to regulators	Responding to requests from regulatory bodies; see note below on the Audit and Risk Committee's involvement in responding to the FRC's periodic review.
Financial reporting	Making recommendations to the Board for the approval of the quarterly, half-year and annual results.
Risk reporting	Review and monitoring of the risk management processes, assessment of principal and emerging risks and reporting of risks throughout the business.
Internal controls	Review of the internal control environment, to include controls over financial reporting and the use of software, operational reports and the impact on budgeting and forecasting.
Accounting matters and judgments	Review of management papers and challenging the proposals relating to areas of significant judgments and estimates.
Accounting for transactions and policy review	Review and approval of the change in accounting policy on capitalisation of greenfield exploration, the costs of which are now expensed in the year. Review of IFRS 16 relating to leases and the impact on material contracts. Review and classification of low grade stockpiles in accordance with IAS 2.
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 and software upgrades.
Corporate Governance Code	Review of the 2018 Code and best practice guidelines impacting the Audit and Risk Committee in 2019.
Non-financial reporting	Please see the financial review and non-financial reporting in the sustainability report, which is published separately.

During the year, the Audit and Risk Committee carried out an evaluation of its own performance. The assessment considered the activities during the year. The Audit and Risk Committee also considered its composition and 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 Audit and Risk Committee, its composition, experience and activities during the year and there were no proposed changes during 2018. During the evaluation, the Audit and Risk Committee and Board were mindful that each of the three members had served for eight years. The nomination report sets out details of the Board's recruitment process that is underway for progressive refreshment of the Board and its committees.

Audit and risk report continued

Significant issues considered during the year by the Audit and Risk Committee

The following significant issues were considered during the year (full details and analysis are set out in note 1 to the financial statements).

TOPIC	SIGNIFICANT ISSUE	SUMMARY OF THE SIGNIFICANT ISSUE	KEY ACTION POINTS
FRC Review	Regulatory review	<p>In 2017 the UK Financial Reporting Council ("FRC") commenced a review of our 2017 annual report which was concluded in 2018. In the review the FRC were seeking clarification on three main areas: i) significant judgments relating to the control of SGM; ii) the sensitivity analysis of estimates and disclosures; and iii) disclosure of alternative performance measures ("APMs") relating to free cash flow. Certain recommendations from the review were incorporated into the 2017 annual report and 2018 half-year accounts, including the sensitivity analysis of estimates and disclosure of APMs relating to free cash flow.</p> <p>During 2018 the main area of review related to i) the accounting treatment of SGM based on control; and ii) the treatment and disclosure of the EMRA profit share arrangement and its compliance with IFRS.</p>	<p>Committee actions</p> <p>The Audit and Risk Committee contributed to the management position papers and technical papers. PwC also provided input into the papers.</p> <p>Further details of PwC's involvement are set out below.</p> <p>The Audit and Risk Committee reviewed, contributed towards and approved the amended disclosures in the 2018 financial statements as prepared by management after discussions with the FRC. The Audit and Risk Committee Chairman attended the meetings with the FRC.</p> <p>Significant judgments and estimates regarding control and treatment have been disclosed in a single section of the annual report.</p>
Production re-forecast and operational information flows	Critical judgments and estimates	<p>Production forecasts were re-guided during the year impacting the share price in May and October. The reasons for this have been addressed elsewhere in the annual report. The risk of not achieving production forecasts in the short term results in, among others:</p> <ul style="list-style-type: none"> • significant impacts on the profitability of the Group; • reduced profit share and dividends to shareholders; and • the subsequent significant devaluation of the share price which consequently triggered an impairment assessment of the Group assets. 	<p>Committee actions</p> <p>During the year, enhanced reporting was requested by the Audit and Risk Committee to understand the impact on production and revised forecasting. The Audit and Risk Committee considered the information flows between the Group's operations and the financial reporting. The Audit and Risk Committee also considered the inputs during the annual budget process and the ongoing reconciliation, comparing actual performance against budget performance of both financial and operational data.</p>
Exploration and evaluation of mineral resources under IFRS 6		<p>The change in accounting policy regarding the treatment of costs related to exploration and evaluation of mineral resources under IFRS 6, made in the interim financial statements and applied retrospectively to the earliest prior period:</p> <ul style="list-style-type: none"> • previously the policy was to capitalise all exploration expenditure without a distinction between Greenfield and Brownfield exploration expenditure; • this policy has been changed with all Greenfield exploration costs expensed as they are incurred whilst Brownfield exploration costs will continue to be capitalised 	<p>Committee actions</p> <p>The Audit and Risk Committee considered the application of IFRS 6, the impact on the financial statements and related metrics, the definition of Greenfield and Brownfield exploration and the reasons for the change in the accounting policy. IAS 1 was also considered relating to the presentation of financial information to the user financial reports.</p> <p>The Audit and Risk Committee concluded that due to the increased risk, lower likelihood of economic return to shareholders and lengthy timescales involved with greenfield exploration, expensing greenfield exploration was appropriate. Shareholders and analysts place value on exploration projects at a later stage of exploration development.</p>

TOPIC	SIGNIFICANT ISSUE	SUMMARY OF THE SIGNIFICANT ISSUE	KEY ACTION POINTS
Run of mine ("ROM") stockpiles	Accounting for transactions	<p>Mine stockpiles inventory has been split between current and non-current assets based on the expected drawdown on the stockpile by the processing plant:</p> <ul style="list-style-type: none"> the volume of ore extracted in the year has far exceeded the capacity of the processing plant causing the stockpiles to increase significantly in size and value; and based on mining and processing forecasts these stockpiles will not be consumed within the next twelve months and as such have now been classified between current and non-current assets and valued accordingly. 	<p>Committee actions</p> <p>The Audit and Risk Committee considered IAS 2, the valuation and categorisation of inventories, the mine plan over the medium term to assess the timing to process the low grade ore stockpiles and impairment testing of the material. The grade of the stock piles was considered and the use of the low grade material by the processing plant to optimise production.</p> <p>The Audit and Risk Committee concluded that the split in stockpile inventory between current and non-current assets in the financial statements reflected the usage of the stockpiles. Any impairment of the stockpile was appropriately assessed at 31 December 2018 and no impairment was required.</p> <p>In line with the updated mineral reserves estimate for Sukari at 30 June 2018, the mine cut-off grade for the surface stockpiles has been changed from 0.3 to 0.4 grams per tonne with amounts under 0.4g/t having been expensed.</p>
Accounting standards	Accounting for transactions	<p>Adoption of the following new and revised accounting policies:</p> <ul style="list-style-type: none"> IFRS 15 'Revenue from contracts with customers' has been applied since 1 January 2018; and IFRS 9 'Financial instruments' has been applied since 1 January 2018. 	<p>Committee actions</p> <p>The Audit and Risk Committee considered the new and revised policies during the year with no significant impact to the annual results.</p> <p>IFRS 16 will be adopted from 1 January 2019 in accordance with the standard.</p>
Accounting standards	Accounting for transactions	<p>New standards, amendments and interpretations not yet adopted:</p> <ul style="list-style-type: none"> IFRS 16 'Leases' has been assessed by management, the impact of which has been disclosed. 	
Impairment of assets (other than financial assets)	Accounting for transactions	<p>Management concluded, in accordance with the requirements of IAS 36 'Impairment of assets' and IFRS 6 'Exploration for and evaluation of mineral resources' that the devaluation of the share price of the Company was a trigger for an impairment assessment for the Company's exploration and evaluation assets.</p> <p>The assessment compared the recoverable amount of the individual Exploration and Evaluation Asset Cash Generating Units ("E&E CGU") with their carrying value for the year ended 31 December 2018.</p>	<p>Committee actions</p> <p>The Audit and Risk Committee reviewed the papers presented by management in respect to IAS 36 and IFRS 6 and were in agreement with management's conclusion that no impairment was required. The exploration strategy was also considered for Sukari, Burkina Faso and Côte d'Ivoire.</p> <p>The Audit and Risk Committee reviewed as part of the assessment for potential impairment at Sukari, the updated mine plan, latest reserve and resource update and production profile for 2019.</p>

Audit and risk report continued

Significant issues considered during the year by the Audit and Risk Committee continued

TOPIC	SIGNIFICANT ISSUE	SUMMARY OF THE SIGNIFICANT ISSUE	KEY ACTION POINTS
Accounting basis of preparation	Going concern and longer term viability	<p>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 the 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. The period of five years was considered appropriate as this reflected the preparation period for a detailed budget. Details of the viability statement and review assessment can be found in the strategic report on pages 48 and 49.</p> <p>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.</p> <p>Based on a detailed cash flow forecast prepared by management, in which 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:</p> <ul style="list-style-type: none"> • the successful outcome of ongoing litigation as discussed in note 5.1 to the financial statements; • the latest life of mine plans; • reserve and resource update; • 2019 – 2023 forecast gold production; • estimated gold price; and • variable and fixed cost assumptions. <p>These financial statements for the year ended 31 December 2018 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.</p>	

Fair, balanced and understandable

The Audit and Risk Committee was satisfied that the controls over the accuracy and consistency of the information in the 2018 annual report were sufficiently robust. The Audit and Risk Committee reviewed the control environment and is in receipt of monthly, quarterly and annual financial and budgetary information. The Audit and Risk Committee is also involved in the review of all key accounting policies and matters requiring judgment and estimation.

The Audit and Risk 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 Audit and Risk 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 governance report).

The Audit and Risk Committee was conscious, whilst reviewing all aspects of the annual report, of the production issues during the year. Fair representation was important to the members of the Audit and Risk Committee, ensuring that sufficient emphasis was made on the matters which led to the production downgrades, the financial impact on the Company and the investor experience resulting from these challenges.

The Audit and Risk Committee was also mindful of the balance in reporting of non-financial performance measures such as exploration progress across the Group's operations. The Audit and Risk Committee considered the relative emphasis on the activity across West Africa and in Egypt, ensuring that the success in resource growth was matched with the relative cost in delivering the exploration programmes. The updated reserve statements set out in the strategic report were also an area of focus, ensuring that reserve growth, replacement and depletion were given equal weighting.

The Audit and Risk Committee, in reviewing the annual report, also noted the need for clear and concise reporting. The members of the Audit and Risk Committee have worked with management to demonstrate, through carefully structured tables, graphs and images, the linkages between risk, the Company's strategic aims and the structure for rewarding performance.

The Audit and Risk Committee recommended and, with agreement of the Board, 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 annual 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 2018, the Company's external auditor, PricewaterhouseCoopers LLP ("PwC") presented their detailed audit plan and final audit findings and recommendations to the Audit and Risk Committee. The Audit and Risk Committee agreed with the audit approach at the planning stage and agreed with the materiality thresholds, identification of the key risk areas and significant judgments and estimates.

ARA evaluation and benchmarking

The management team met with PwC to critically assess the 2017 annual report, discuss ways to improve the report for shareholders. The session provided useful insight into the following:

- strategic report
 - articulating the Group's purpose and mission statement;
 - concise reporting throughout the annual report;
 - non-financial reporting;
 - stakeholder engagement and section 172 directors' duties;
 - linkages for KPIs and targets;
 - explaining risks and opportunities; and
 - setting clear sustainable goals.
- governance report
 - disclosures within the remuneration report;
 - governance reform and reporting; and
 - linkages between governance, business and the strategy.
- financial statements
 - balance across the ARA as a whole;
 - understanding of the key judgments and estimates; and
 - explanation of key accounting policies and application to the Group.

Through benchmarking and reviewing trends in reporting and industry leading disclosure the Company hopes to continue to evolve and develop a high standard of reporting for its shareholders.

External auditor effectiveness

The Audit and Risk 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 Audit and Risk Committee also reviewed the effectiveness of the audit by considering the efficiency and use of resources and the delivery and relevance of the reporting.

Audit partner

The Audit and Risk Committee is pleased with the smooth handover to the new audit partner, Jonathan Lambert, who replaced Richard Spilsbury following the 2017 audit.

FRC review

The Audit and Risk Committee and management worked closely with PwC's technical team to prepare the required position papers. PwC provided support in challenging management's technical arguments; understanding and applying the legal framework to the standards; and articulating the way in which the operation is managed and controlled. Guidance was also provided on the presentation of the financial statements, considering the possible scenarios and ensuring the outcome best served the users of the financial statements. The Audit and Risk Committee was pleased with the outcome of the FRC review and attribute the success to the management team and the work of the Audit and Risk Committee.

PwC Egypt

PwC has a significant presence in Egypt and the Audit and Risk Committee welcomed the increased use of the Alexandria-based auditor to carry out field work and substantive testing during the audit. The understanding gained through the audit of the Company's Egyptian subsidiary, SGM, helped improve the efficiency of the Group and subsidiary audits. Of particular note is the use of senior personnel who are fluent in Arabic and English, allowing good communication channels to exist between the auditor and the accounts teams at Sukari and Alexandria.

Substantive testing and technology

The Company strives towards efficiency, which can in part be achieved through advancements in IT systems and technology. The accounting systems and improvements in software at Sukari need to keep pace with the growing reliance by audit firms on IT systems. The audit of the Group remains largely substantive and the Audit and Risk Committee was pleased with the way computer aided audit tools were used for certain functions. Further work on the part of the accounts team will need to be done in the future to allow reliance on controls in order to reduce the level of substantive audit procedures, but at present, substantive procedures provide the most effective audit approach for an operation of this size.

As part of the evaluation, the Audit and Risk Committee completed a questionnaire which also took into account the views of the senior members of the finance team, including 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 and risk report continued

External auditor effectiveness continued

Substantive testing and technology continued

AUDIT AREA	OBSERVATIONS BY THE AUDIT AND RISK COMMITTEE
Audit planning	The planning documents had sufficient detail and were presented in a timely manner. The audit plan was adhered to by the auditor and the audit opinion released as scheduled on 1 March 2019.
Leadership and communication	The Committee notes the experience of the team in the mining and extractive sector and worked well with the finance team providing a good level of challenge to the accounts team as well as guidance where needed.
Assessment of independence	There were no areas that conflicted PwC's independence.
Audit costs	The Audit and Risk Committee noted that additional time and resource were allocated to deal with the accounting matters impacted by the production challenges during the year and the technical support in preparing responses to the FRC review. The Audit and Risk Committee was encouraged by the way the auditor shared information across the jurisdictions. The combined and joined-up nature of the audit team as well as the use of a local Egyptian auditor in-country was also welcomed. The fees year on year have remained in line with expectations.

There has been open communication between the Audit and Risk 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 visits Sukari regularly to carry out inventory testing as well as assessing controls and substantive testing. PwC also carry out audit work at our administrative offices in Egypt and Jersey.

Having carried out the evaluation, the Audit and Risk Committee is satisfied that the audit engagement for the financial year ended 2018 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 line with the Company's non-audit services policy.

Fees for audit services incurred during the year amounted to US\$543k; there were non-audit services carried out by PwC during the year of US\$167k. Full details are set out in note 6.5 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.

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

Auditor objectivity and independence

The Audit and Risk 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 in 2018.

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 Audit and Risk Committee has answered any questions raised by the auditor allowing the auditor to carry out its duties.

The Audit and Risk Committee recommends to the Board the re-appointment of PwC as auditor at the forthcoming annual general meeting. PwC has expressed its willingness to continue in office as auditor.

Internal auditor

BDO LLP, the Group's externally appointed internal auditor, worked with the Audit and Risk Committee to agree an action plan for 2018 and 2019.

As part of the assessment to identify the required actions, the internal audit team spent time with the Audit and Risk Committee and met with management to identify their needs and carried out work onsite at Sukari. Summary findings of the audit needs assessment were shared with the Audit and Risk Committee and formed the basis of the action plan for 2018/19.

The audit areas, actions and findings are summarised in the table.

AREA AUDITED	OBJECTIVE	FINDINGS
Anti-bribery and corruption	<p>The objective of the review is to provide assurance on the measures Centamin has in place to prevent bribery and corruption and ensure compliance with the relevant Group and operational level legislation.</p> <p>The work will consider whether implemented controls have been adequately designed to mitigate inherent risks and whether these controls are operating effectively.</p>	<p>The initial review was undertaken in late 2018 with recommendations in the following areas:</p> <ul style="list-style-type: none"> • specific 'train the trainer' tailored to ensure consistent and regular training at an operational level; • ensure additional support for those with government 'touch points'; and • encouraging a culture of record keeping to capture all and any potential incidents or occurrences which can then be assessed.
Purchasing	<p>The objective of the audit is to assess the adequacy and effectiveness of the controls which are in place to mitigate risks within the area of purchasing (including tendering). The following procedures were undertaken:</p> <ul style="list-style-type: none"> • review of policies and procedures when procuring goods or services for Centamin; • testing and sampling of tendering and new suppliers and verified whether the required procedures were followed; and • identification of the need for a good or service, evaluation, due diligence, appropriate management approval and achievement of value for money. 	<p>The initial review was undertaken in early 2019 with recommendations to be shared with the Audit and Risk Committee in Q1 2019.</p> <ul style="list-style-type: none"> • Identification of high risk suppliers and more detailed analysis of the due diligence undertaken. • Advice on improvements to the manual which lacked guidance on due diligence methodology. • Identification of potential overrides and sampling of supplier master file. • Guidance on further tools to implement analysis of ageing suppliers, reasons for cost savings, forecasting and budget analysis.
Working capital management	<p>The objective of the review is to provide assurance on the working capital management at Centamin and to review the recent exercise to improve the working capital ratio.</p> <p>Specifically, BDO will assess whether implemented controls have been adequately designed to mitigate inherent risks and whether these controls are operating effectively and provide recommendations to improve the management of the working capital.</p>	<p>The initial review was undertaken in early 2019 with recommendations to be provided in Q2 2019.</p>

The Audit and Risk 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 Audit and Risk 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. The Audit and Risk Committee was encouraged by the new team that had been chosen to deliver the internal audit in 2018, which included an experienced team based in Egypt. The Audit and Risk Committee was comfortable that the internal audit team had access to all required personnel and were given the best opportunity to carry out their role, independently. The Audit and Risk Committee noted that success of the internal audit would be measured both in identifying areas for

improvement and in providing practical steps, aiding management to implement any changes. Whilst comfortable with the assurances given during 2018, the Audit and Risk Committee noted that the scope spanned a two year period and therefore the work that was expected to be completed in 2019 would allow the Audit and Risk Committee to make an informed assessment of the internal auditor's effectiveness.

Audit and risk report continued

Internal auditor continued

The Audit and Risk Committee will be working with BDO LLP and management to agree a scope of work for 2019. Key topics include:

- mine resource planning;
- management oversight/controls and overrides;
- month end accounting (including spreadsheet controls);
- data analytics – Payroll and Purchasing (including an evaluation of Egypt's Article 40 Health Care Act);
- corporate governance reform and application of the 2018 Code; and
- risk reporting and effectiveness on strategic planning.

The Audit and Risk Committee will monitor the internal auditor's progress this year and ensure they continue to have access to the required resources and information to complete their scope in 2019.

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 Audit and Risk 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 the Audit and Risk 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 Audit and Risk 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.

The Audit and Risk Committee considered the information flows between the Group's operations and the financial reporting. Existing systems, capturing financial data remained sufficient, however the Audit and Risk Committee reviewed further the finance team's oversight over operational data. Consideration was given to the inputs during the annual budget process and the ongoing reconciliation, comparing actual performance against budget performance of both financial and operational data. During the year, enhanced reporting was requested by the Board to understand the impact on production and revised forecasting. The enhanced reports were needed to evaluate the impact on forecasting for the remainder of the year following the production downgrades; the impact of changes to the mine plan and scheduling; and the consequences of lower grade through the process plant. The Audit and Risk Committee challenged management on the controls and level of reconciliation at an operational level. Whilst satisfied that the reporting provided a base level of understanding, further work was required so that operational reports could predict, with greater speed and accuracy, potential changes to the forecast grade, and the impact of those changes to the mine plan or scheduling. The Audit and Risk Committee aims to ensure that data fed to management is robust and timely and allowing management and the Board with their decision making.

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 a robust risk management framework and assessing risk across the Group 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 Audit and Risk Committee assists in developing the risk environment, making suggestions on ways in which the business can improve its internal reporting.

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:

- preparation of budgets, stress testing operational and financial inputs and variables;
- reporting of actuals versus budget, variance analysis and changes to the mine plan or sequencing;
- monthly and quarterly reporting of operational activity, including enhanced reporting on any significant operational and corporate issues;
- control environment review and recommendations for further improvement;
- review of the operational controls and reporting framework;
- non-financial reporting indicators including environmental indicators;
- scoping of internal audit work, access to site and key personnel;
- external audit work culminating in the annual and half-yearly audit report;
- quarterly risk reporting to include analysis of primary and secondary corporate and operational risks, mitigation, risk owners, strategic planning as part of the risk review and site based leading indicators for health and safety; and
- compliance and regulatory updates and related policy updates and reviews.

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 38 to 49.

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, policies and controls in place and had been adequately identified. The Audit and Risk Committee noted that, at an operational level, improvements in internal controls relating to grade reconciliation and production forecasts which directly impacts budgeting, forecasting and profitability of the Group needed further review in 2019.

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 2016 Code and relevant Canadian requirements.

Targets in 2019

The Audit and Risk Committee considered the action plan for 2019 and the key milestones for the year. The areas of focus for 2019 include, but are not limited to, the following:

Strategic:

- build and develop the finance function in West Africa in anticipation of developing a mine in the region;
- work on improving long term life of mine model and linkage with mine plan at an operational level; and
- review of economic and regulatory regimes where the Group operates or may consider operating.

Finance:

- continued focus on cost reduction and working capital management through improved inventory and mine management planning systems;
- ensuring appropriate cost allocation across all resources and business units and cost recovery from operations; and
- adoption of IFRS 16 'Leases'.

Control environment:

- detailed finance review of operational inputs into budget, forecasting, life of mine models and variance analysis

- implementing internal audit recommendation on controls over procurement, tendering and supply chain management;
- scope the internal audit function to ensure the tasks are aligned with the business needs; and
- develop a fresh reporting platform by reviewing, bottom up, reporting processes and ensuring reliable and timely information is available to the Board to aid decision making.

Employee engagement:

- enhanced 'train the trainer' on corporate policies including anti-bribery and corruption and modern slavery.

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 1.35 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 48 and 49.

Conclusion

As a result of its work during the year, the Audit and Risk Committee 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 Audit and Risk 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

1 March 2019

Remuneration report

As Chairman of the Remuneration Committee, I am pleased to present the 2018 remuneration report.

Edward Haslam

Chairman of the Remuneration Committee



Introduction

As Chairman of the Remuneration Committee, I am pleased to present the 2018 remuneration report.

This report includes i) our revised Directors' remuneration policy, for which shareholder approval will be sought at the forthcoming AGM (pages 122 to 128) and ii) our annual report on remuneration (pages 129 to 143) which describes how our current Directors' remuneration policy was implemented for the year ended 31 December 2018 and how it is intended that our revised policy be implemented for the forthcoming year.

As explained below, it has been the design of a revised remuneration policy – following a material number of votes being cast against the remuneration-related resolutions tabled at the 2018 AGM – that has been the focus of the Remuneration Committee's attention during 2018. Other standard agenda items that have also been considered over the year include i) the Executive Directors' 2018 remuneration packages, ii) assessing bonus and Performance Share Plan outturns and iii) preparing last year's remuneration report.

Policy review

At the AGM in 2018 substantial votes were lodged against the resolutions to approve the remuneration report (circa 32% votes against) and remuneration policy (circa 52% votes against). While both these resolutions were advisory only – reflecting the fact that, as a Jersey-incorporated company, Centamin is not bound by the Directors' Remuneration Report Regulations – the Remuneration Committee takes these matters very seriously.

Consequently, and as detailed in the interim results announcement published on 3 May, the Remuneration Committee commenced a formal tender process for the appointment of a specialist independent remuneration adviser, which resulted in the appointment of Korn Ferry. Together with its new advisers, the Remuneration Committee undertook a full review of the Company's remuneration policy and practices in 2018. However, in advance of this review commencing, the Remuneration Committee took a number of immediate steps to address some of the concerns expressed by shareholders:

- revised targets for the 2018 awards under the Company's Performance Share Plan were agreed as a direct result of shareholder feedback following the AGM. This included removing the dividend and reserves targets that were originally proposed but which were questioned by some shareholders;
- the shareholding guidelines for the Executive Directors were increased to 200% of salary (from the previous 150%, a level that had been criticised by some investors); and
- an undertaking was given to provide more detailed disclosure of performance against the 2018 annual bonus targets in future remuneration reports (as certain shareholders had concerns regarding the level of disclosure provided in the past).

Having taken these initial steps, the Remuneration Committee undertook a full review of Centamin's Directors' remuneration policy. This policy review was undertaken in the context of a challenging period for the Company in terms of production at the Sukari Gold Mine. Centamin's corporate strategy remains focused on the delivery of low cost operations at Sukari which is the solid foundation from which the Company is able to generate significant cash flows that will fund the next stage growth investment within the exploration and development pipeline and allow the

Company to maintain its dividend policy. The Company is clearly disappointed with the operational performance this year which has resulted in guidance having to be revised downwards and a consequential adverse impact on the share price, but believe the execution of Centamin's strategy will see the delivery of strong returns to investors in the longer term.

When conducting its review, the Remuneration Committee had at the forefront of its thinking the need to take account of the concerns raised by investors at the 2018 AGM that had not already been addressed by the initial steps taken. These concerns largely related to the structure and operation of the annual bonus plan. Consequently, the Remuneration Committee came to the view that changes should be made to this element of the current remuneration policy at the same time as bringing the current Performance Share Plan ("PSP") into line with 'best practice' institutional investor expectations. Following the conclusion of the Remuneration Committee's policy review, a consultation exercise was held with the Company's major shareholders and the main proxy voting agencies. The Remuneration Committee was pleased that its proposed changes were well received by these bodies. In summary, these proposed changes are as follows:

Annual bonus plan

- While no change will be made to overall bonus opportunity, a higher portion of the bonus than was previously the case (i.e. now 70% compared with 50%) will be payable by reference to performance against financial and other objectively measurable targets.

- Target bonus opportunity has been reduced from 75% of maximum to 62.5% of maximum.
- A new share deferral feature will be introduced (past bonuses have been paid entirely in cash) under which the net amount of any bonus earned in excess of 75% of salary must be used to acquire shares which must be held for at least two years. These shares (and the related cash element of the bonus) will be subject to more robust claw back/malus provisions.

Performance Share Plan

- Again, no change will be made to policy award levels under the PSP. However, a full two year post vesting holding period will be introduced (thus far, only 50% of vested shares must be held for two years, with the remaining 50% receivable immediately after the end of the three year performance period).
- A revised approach to PSP targets will be followed. For the 2019 awards a blend of relative TSR, cash flow and production targets will be used.
- Certain "administrative" changes to the PSP rules will be made:
 - the malus/claw back provisions that currently apply will be formally enshrined into the PSP rules and made more robust and wide-reaching;
 - the ability to credit dividends declared over the vesting period on shares that vest will be included; and
 - the treatment of awards in leaver situations and in the event of a change in control will be made more consistent with typical practice i.e. i) in prescribed "good leaver" circumstances, awards will normally vest at the expiry of the performance period subject to performance

against the targets and a pro rata reduction (unless the Remuneration Committee determines otherwise) and ii) in the event of a change in control, awards will normally vest at that point subject to performance against the targets and a pro rata reduction (unless the Remuneration Committee determines otherwise).

Remuneration Committee discretion

- Again reflecting best practice, a new 'override' provision will be introduced for both the annual bonus and PSP that will enable the Remuneration Committee to adjust any formula-based incentive outcomes to better reflect a broader view of the Company's financial performance and/or shareholders' experience.
- In addition, the Remuneration Committee will reserve some market-standard discretions regarding the operation of the annual bonus plan and PSP.

Previously, shareholder approval has been sought for the renewal of our policy every year. However, to demonstrate the Remuneration Committee's long term commitment to this new policy – and to reflect typical practice – it is intended that the new policy will be applicable for the three years following the 2019 AGM, which the relevant resolution to be tabled at the forthcoming AGM will reflect. In addition, a resolution to approve the changes to the PSP (where required by the Plan rules) will also be tabled at the 2019 AGM, together with the normal resolution to approve the remuneration report.

Remuneration report continued

Introduction continued

Remuneration outcomes for 2018

As explained in last year's report, the annual bonus opportunities of the three Executive Directors were split between 50% financial and operational metrics, 10% strategic, 10% corporate and 30% individual objectives. No bonus was payable to any of the Executive Directors for the financial or operational metrics, with the exception of the improvements in the injury frequency rate ("LTIFR"). In addition, at the recommendation of the Remuneration Committee, Andrew Pardey agreed to waive all amounts achieved including the LTIFR, remaining financial, strategic, corporate and individual objectives, resulting in a zero bonus payout. Furthermore, it was not considered appropriate to award a bonus to Josef El-Raghy whilst serving notice under his executive contract and given his ongoing role as Non-Executive Chair. However, having assessed Ross Jerrard's performance against his individual targets (further details of which can be found on page 133), it was recommended by the Remuneration Committee, and approved by the Board, that Ross should retain the bonus earned based on his performance against the targets initially set which results in a total bonus outturn for Ross Jerrard of 44% of his maximum bonus opportunity (i.e. 55% of salary). It should be noted that Ross Jerrard's non-financial targets related to deliverables which were not impacted by (or directly related to) the operational challenges faced in 2018 and therefore the Remuneration Committee felt that it was not necessary or appropriate for Ross Jerrard to waive his bonus.

The PSP awards granted to Andrew Pardey and Ross Jerrard in June 2016 are capable of vesting in June 2019. Of the blend of TSR, reserve replacement, EBITDA and production targets measured up to the end of the 2018 financial year, 40% of the award

will vest due to the TSR and EBITDA targets being achieved in full. Full details of the vesting criteria and the vesting outcome are set out on page 134. Josef El-Raghy does not hold any PSP awards.

Approach to remuneration in 2019

Subject to shareholder approval being obtained for the revised policy as described above, the Remuneration Committee intends to adopt the following approach to the Executive Directors' remuneration in 2019:

Base salary

Andrew Pardey and Ross Jerrard are to receive a 3% increase on their base salary in 2019 in line with the increase in cost of living. To reflect his change in role, Josef El-Raghy will not receive any salary but will receive an annual Directors' fee of £250,000.

Pension/other benefits

No changes will be made to the approach adopted in the past i.e. neither Andrew Pardey nor Ross Jerrard will receive a contribution towards or allowance for a pension. To reflect his change in role, Josef El-Raghy will no longer be offered a pension provision.

Annual bonus

Annual bonus opportunity for Andrew Pardey and Ross Jerrard will remain unchanged at 125% of salary. Josef El-Raghy will no longer participate in the annual bonus plan.

Reflecting the new policy:

- 70% of the bonus opportunity will be based on financial/objectively measurable targets, namely Production (assessed by reference to both volume and safety record via LTIFR), EBITDA, sustaining and direct operating costs, non-sustaining costs and capital projects. The remaining 30% will be based on personal/strategic targets. Further details can be found on page 142; and

- any bonus earned in excess of 75% of salary will be deferred into shares.

In 2018, 75% of the maximum bonus opportunity was payable for achieving a target level of performance. The Remuneration Committee's original intention was to retain this 75% of maximum payout for target performance for the 2019 bonus and onwards. However, having reflected on the feedback it received from some investors during the consultation exercise, the Remuneration Committee has agreed to alter its approach so that, for the 2019 bonus and onwards, no more than 62.5% of the maximum is payable for achieving the target level of performance (i.e. the approach that had been adopted to the bonus prior to 2018). The Remuneration Committee is comfortable with this approach in light of a number of factors:

- the bonus maximum of 125% of salary is relatively modest for a company of Centamin's size and complexity and therefore a 62.5% of maximum payout for target performance, when expressed as a percentage of salary, is within the bandwidth of typical target bonus payouts offered by other similar sized companies that offer a higher bonus maximum;
- when considered in the round, the Executive Directors' total target remuneration in aggregate reflects the appropriate amount when taking account of the market in which the Company operates and companies of a similar size and complexity, even with the 62.5% target payout under the bonus;
- the more robust approach that will apply to the bonus structure going forward (e.g. bonus deferral, higher weighting on financial targets, more detailed target disclosure etc.) should be taken into account; and

- the target level of the combined performance metrics which, if achieved, would result in a 62.5% of maximum payout will be stretching. Therefore, paying 62.5% of maximum bonus for this level of performance falls within the typical market range.

Performance Share Plan

Andrew Pardey and Ross Jerrard will receive PSP awards over shares worth 150% of salary, reflecting the approach adopted last year. Josef El-Raghy will not receive an award. Awards will vest based upon a blend of three year relative TSR, cash flow and production targets. Also, reflecting the new policy, these awards will be subject to a full two year post vesting holding period.

Non-Executive Directors

No changes to the fees of the Non-Executive Directors will be made for 2019, save to reflect recent changes in responsibilities and/or committee chair or membership. The fees now payable to Josef El-Raghy following the change in role from Executive to Non-Executive Chair are set out below.

Legislative and regulatory developments

The Remuneration Committee is considering the impact of recent regulatory changes (e.g. the 2018 Corporate Governance Code) which formally apply to Centamin from the 2019 financial year onwards. In our report next year, we are intending to comply in full with the provisions of the 2018 Code, but we reserve the right to explain any area of non-compliance if it is decided that compliance would not be in the best interests of Centamin or its shareholders. The Remuneration Committee is aware of recent

legislative changes (e.g. the disclosure of the CEO to all-employee pay ratio) which, as a Jersey incorporated company with considerably fewer than 250 UK employees, is therefore not applicable to Centamin.

Summary

I hope that you find the report clear and informative and are supportive of the various changes we have made to our remuneration policy and practices in light of the feedback we received from investors last year.

I am always happy to hear from the Company's shareholders and you can contact me via the Company Secretary if you have any questions on this report or more generally in relation to the Company's remuneration.

Edward Haslam

Chairman of the Remuneration Committee

1 March 2019

Executive Director remuneration at a glance

KEY COMPONENT	HOW IMPLEMENTED IN 2018	INTENDED IMPLEMENTATION FOR 2019
Base salary	Executive Chair – £546,363 CEO – £506,966 CFO – £402,500	There is no longer an Executive Chair CEO – £522,175 CFO – £414,575
Pension/benefits	Executive Chair – 20% of salary CEO/CFO – 0%	There is no longer an Executive Chair CEO/CFO – 0%
Annual bonus	Executive Chair – 175% of salary maximum CEO/CFO – 125% of salary maximum Targets: <ul style="list-style-type: none"> 20% – financial 20% – operational 20% – strategic 10% – corporate 30% – personal No share deferral	There is no longer an Executive Chair CEO/CFO – 125% of salary maximum Targets: <ul style="list-style-type: none"> 70% – financial/quantitative e.g. Production, EBITDA, sustaining and direct operating costs, non-sustaining costs and capital projects 30% – personal/strategic Any bonus over 75% of salary is to be used to purchase shares subject to a two year holding period
PSP	Executive Chair – no award CEO/CFO – 150% of salary Targets: <ul style="list-style-type: none"> 40% – relative TSR vs industry peer group 20% – EBITDA 40% – production 	There is no longer an Executive Chair CEO/CFO – 150% of salary Targets: <ul style="list-style-type: none"> 50% – relative TSR vs industry peer group 25% – free cash flow generation 25% – production
Shareholding requirements	150% of salary (post 2018 AGM change to 200%)	200% of salary

Remuneration report continued

Introduction continued

As set out in the business model, 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 used in the annual bonus and PSP reflect the achievement of the Company in meeting its strategic objectives through the actions and influences of the Executive Directors:

KEY MEASURE	LINKAGE TO INCENTIVE PLANS
ASSET QUALITY AND FINANCIAL FLEXIBILITY	
Gold production	Production targets employed in both the annual bonus and PSP
Cost control	EBITDA used in the annual bonus. Cost control is a driver of long term returns to shareholders, measured via relative TSR in the PSP
Stable finances	Personal KPIs for formalising and implementing sound policy decisions reflected in the annual bonus
STAKEHOLDER RETURNS	
Consistent dividend policy	Delivering shareholder returns in line with the dividend policy will drive TSR which is measured in the PSP
Shareholder return relative to peers	50% of PSP based on relative performance against peers
ACTIVE GROWTH PIPELINE	
Optimising production	Identifying high grade from the existing resource and optimising throughput rates, with production targets used in the bonus and PSP
Self-funded growth and exploration	Reserve replacement and growth targets employed in the strategic element of individual KPIs within the annual bonus
Exploration in West Africa	PSP provides a long term incentive to identify and deliver on projects outside of Egypt
SUSTAINABILITY	
Safety record and human resources	LTIFR used in production element of bonus structure. Zero level 5 or 4 environmental incidents rewarded through personal KPIs. Workforce engagement, implementing human rights, supplier policies and HR policies through personal KPIs
Government relations and community initiatives	Maintaining key relationships and delivery of initiatives linked directly to individual bonus KPIs

Remuneration policy

The Directors' remuneration policy as set out below will be put to a shareholder vote at the AGM on 8 April 2019 and is intended to replace the existing policy and apply for the period of three years from the date of approval. Details of the changes proposed to the existing policy are explained above.

REMUNERATION POLICY FOR EXECUTIVE DIRECTORS			
ELEMENT OF PAY AND LINKAGE TO STRATEGY	OPERATION	OPPORTUNITY	PERFORMANCE CONDITIONS
<p>Base pay</p> <p>Base pay to be set competitively so as to allow the motivation and retention of key executives of the calibre and skills necessary to support Centamin's short and long term objectives.</p>	<p>Pay is reviewed annually and any change ordinarily takes effect from 1 January. When determining an appropriate level of salary, the Remuneration Committee considers:</p> <ul style="list-style-type: none"> remuneration practices within the Company; the performance of the individual Executive Director; the individual Executive Director's experience and responsibilities; the general performance of the Company; salaries within the ranges paid by the companies in the comparator group(s) used for remuneration benchmarking; and the economic environment. 	<p>Base salaries will be set at an appropriate level. 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, when the pay level becomes out of line with the market data or to reflect the fact that a director has been appointed on a below market salary with the intention being that this salary will be increased if considered appropriate.</p>	N/A

REMUNERATION POLICY FOR EXECUTIVE DIRECTORS			
ELEMENT OF PAY AND LINKAGE TO STRATEGY	OPERATION	OPPORTUNITY	PERFORMANCE CONDITIONS
<p>Benefits</p> <p>Benefits may be provided where necessary to ensure competitive remuneration packages are consistent with the market.</p>	<p>The “normal” benefits that may be provided include items such as car or car allowance, life assurance, private medical provision, subscriptions and phones.</p> <p>Where necessary (e.g. due to the location of operations of the business) it may be necessary to provide “additional” benefits such as (but not limited to) private security, accommodation and reasonable travel costs or enhanced provision of other benefits.</p>	<p>It is not intended that (i) normal benefits will exceed 5% of base pay and (ii) additional benefits will exceed 10% of base pay (to include tax paid on the benefits). Therefore, it is not intended that normal benefits and additional benefits will exceed 15% of base pay (to include tax paid on the benefits).</p>	N/A
<p>Pension</p> <p>Positioned to ensure competitive packages and provision of appropriate income for executives in retirement.</p>	<p>The Remuneration Committee maintains the ability to provide pension funding in the form of a salary supplement or formal pension allowance, which does not form part of the salary for the purposes of determining the extent of participation in the Company’s incentive arrangements.</p>	<p>It is intended that, if pension provision is offered to any Executive Director, the value of such pension in percentage of salary terms will be in line with the pension contributions provided to the majority of the relevant workforce.</p>	N/A
<p>Annual bonus</p> <p>To provide a driver and reward for the delivery of short term performance goals, normally over the course of the financial year.</p>	<p>The Remuneration Committee will determine the bonus payable after the year end based on performance against targets.</p> <p>Annual bonuses up to 75% of salary are paid in cash after the end of the financial year to which they relate. The net amount of any bonus earned in excess of 75% of salary must be applied in the acquisition of shares that must in normal circumstances be retained for two years. Dividend equivalents can be paid on deferred shares.</p> <p>The bonus plan is subject to malus/claw back provisions described in the notes to this table.</p>	125% of salary	<p>The performance measures are selected to provide an appropriate balance between incentivising Executive Directors to meet financial/operational targets for the year and incentivising them to achieve specific personal/strategic objectives. No less than 70% of the bonus opportunity will be linked to the achievement of financial/objectively measurable targets.</p> <p>No more than 25% of the maximum opportunity is payable for delivering a threshold level of performance (where such an approach can be applied given the nature of the metric/target used). Up to 62.5% of the maximum opportunity is payable for delivering a target level of performance (again, where such an approach can be applied).</p> <p>The Remuneration Committee may adjust the formula-based bonus outturn if this does not reflect underlying performance and/or shareholders’ experience.</p>

Remuneration report continued

Remuneration policy continued

REMUNERATION POLICY FOR EXECUTIVE DIRECTORS			
ELEMENT OF PAY AND LINKAGE TO STRATEGY	OPERATION	OPPORTUNITY	PERFORMANCE CONDITIONS
<p>Long term incentives</p> <p>To align the long term interests of the executives with those of shareholders.</p>	<p>The Performance Share Plan (“PSP”) was approved by shareholders at the AGM in 2015. Executive Directors and other selected employees may participate in the PSP on the recommendation of the Remuneration Committee.</p> <p>Awards to Executive Directors shall in normal circumstances be satisfied in shares and will vest no earlier than three years following grant subject to continued employment and the satisfaction of performance conditions.</p> <p>Awards granted from 2019 onwards which vest at the end of the three year performance period will be subject to an additional two year holding period. During this period the shares cannot be sold (other than as required for tax purposes).</p> <p>A dividend equivalent provision exists which allows the Remuneration Committee to pay an amount (in shares or cash) equivalent to the dividends paid or payable on vested shares between the date of grant and the vesting of an award.</p> <p>Awards are subject to malus/claw back provisions described in the notes to this table.</p>	<p>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 in normal circumstances 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 Remuneration Committee to be exceptional, where an absolute limit of 250% of salary may be applied.</p>	<p>PSP awards vest subject to the achievement of challenging performance conditions set by the Remuneration Committee prior to each grant. These conditions may include a blend of financial, operational and/or shareholder return-related metrics. The Remuneration Committee may adjust the formula-based vesting outturn if this does not reflect underlying performance and/or shareholders’ experience.</p>
<p>Share ownership requirement</p> <p>To encourage ownership of shares, thereby creating alignment of interest between shareholders and the executives.</p>	<p>Executive Directors are required to build a holding of shares in the Company equivalent to 200% of base salary.</p>	<p>200% of salary. The Remuneration Committee will, during the course of the year, consider its approach to post cessation shareholding requirements for Directors.</p>	<p>N/A</p>

REMUNERATION POLICY FOR NON-EXECUTIVE DIRECTORS		
ELEMENT AND LINK TO STRATEGY	OPERATION	PERFORMANCE CONDITIONS
<p>Non-Executive Director fees</p> <p>To attract and retain high calibre Non-Executive Directors by the provision of competitive fees.</p>	<p>When appointed, the independent Non-Executive Chair's fees will be determined by the Remuneration Committee. The Non-Executive Directors' fees are determined by the Board. The level of fees takes into account the time commitment, responsibilities, market levels and the skills and experience required.</p> <p>Non-Executive Directors normally receive a basic fee and an additional fee for specific Board responsibilities, including membership and Chairmanship of Remuneration Committees (or if materially more time is required to be spent in the course of their duties than envisaged). The Chairman and Non-Executive Directors are entitled to receive certain benefits in addition to fees. Expenses incurred in the performance of non-executive duties for the Company may be reimbursed or paid for directly by the Company, as appropriate, including any tax due on the expenses. Non-Executive Directors do not participate in any incentive arrangements.</p>	N/A

Malus/claw back

Bonuses and/or PSP awards may be subject to malus/claw back for up to three years after payout/vesting in the following circumstances: i) termination for cause/gross misconduct; ii) material misstatement of accounts; iii) error in calculation of the extent of payout/vesting; iv) an event that materially adversely affects the Company's reputation (which may include a material health and safety event) and; v) "corporate failure".

Committee discretions

As noted above, the Remuneration Committee retains the discretion to adjust the outturn under the annual bonus and/or PSP based on a formulaic assessment of performance against the targets if such formulaic assessment provides a result that is not considered appropriate and/or not reflective of shareholders' experience over the relevant performance period.

The Remuneration Committee will operate the annual bonus and long term incentive arrangements according to their respective rules and in accordance with the Listing Rules where relevant. Consistent with market practice the Remuneration Committee retains certain discretions in respect of the operation and administration of these arrangements which include, but are not limited to, the following:

- the participants;
- the timing of the grant of an award or payment;
- the size of an award;
- the determination of the extent to which performance measures have been met and the corresponding vesting or payment levels;
- discretion required when dealing with a change of control or restructuring of the Group;
- determination of the treatment of leavers based on the rules of the respective arrangement and the appropriate treatment chosen, including the pro rating of awards;
- adjustments required in certain circumstances (e.g. rights issues, corporate restructuring events and special dividends);
- the annual review of performance measures, weighting and targets from year to year; and
- the manner in which share awards can be satisfied (i.e. through the use of new issue, market purchased or treasury shares or by way of a cash payment), although it is currently intended that PSP awards will be satisfied in shares.

In addition, the Remuneration Committee retains the ability to adjust the targets and/or set different measures if events occur (e.g. a material acquisition and/or divestment of a Group business) which cause it to

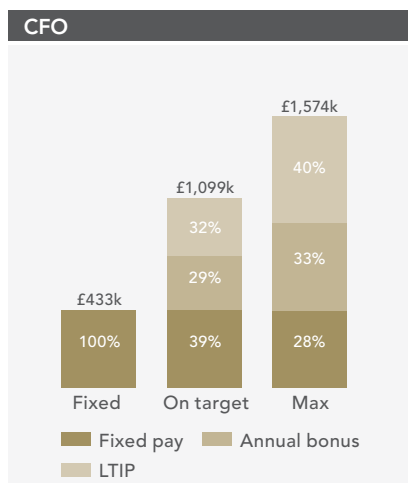
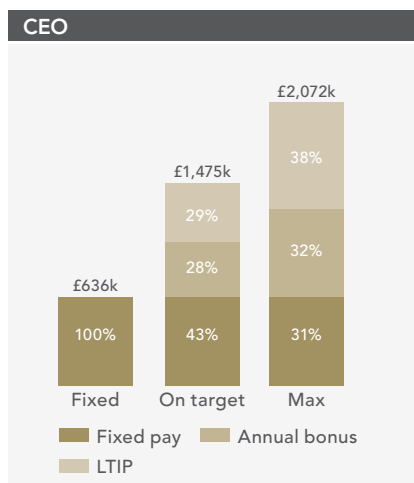
determine that the conditions are no longer appropriate and the amendment is required so that the conditions achieve their original purpose and are not materially less difficult to satisfy (having taken account of the event in question).

The Remuneration Committee also retains discretion to make any payments, notwithstanding that they are not in line with the policy set out above, where the terms of the payment were agreed; i) before the policy came into effect; or ii) at a time when the relevant individual was not a Director of the Company and, in the opinion of the Remuneration Committee, the payment was not in consideration of the individual becoming a Director of the Company. For these purposes, 'payments' includes the Remuneration Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are determined at the time the award is granted. Details of any such payments will be disclosed in the annual report on remuneration for the relevant year.

Any use of the above discretions would be explained in the annual report on remuneration for the relevant year and may, as appropriate, be the subject of consultation with the Company's major shareholders.

Remuneration report continued

Remuneration policy continued



Performance targets

Annual bonus metrics and targets are selected to provide an appropriate balance between incentivising Executive Directors to meet financial objectives for the year and achieving strategic/operational/personal objectives. Annual bonus metrics and targets are chosen to be incentivising and appropriately stretching. Metrics used in the PSP are determined by the Remuneration Committee to reflect the Company's strategy and having regard to market practice within the Company's sector. Measuring performance over a three year period under the PSP ensures a genuine long term focus.

Illustration of application of remuneration policy

The following charts illustrate the remuneration opportunity provided to each Executive Director in line with the proposed revisions to the remuneration policy at different levels of performance for the 2019 financial year.

Three scenarios have been illustrated for each Executive Director:

- 1. Minimum performance:** comprising the minimum remuneration receivable (i.e. fixed pay only, being base salary effective 1 January 2019, pension allowances for the 2019 financial year (if any) and benefits calculated using the 2018 figure as set out in the table on page 129.
- 2. On-target performance:** comprising fixed pay, an annual bonus payment of 62.5% of the maximum opportunity and PSP awards vesting at 25% of maximum opportunity.
- 3. Maximum performance:** comprising fixed pay, 100% of annual bonus and 100% vesting of PSP awards.

The illustrations do not take into account dividends and the value of the share plan is based on the value of the awards at grant.

The wider employee context

Our remuneration policy for Executive Directors takes account of 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 underlying operation performance and cost control measures at the mine. Further details on employee relations can be found in the sustainability report, which is published separately.

Although the Remuneration 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. In addition, the Remuneration Committee will be reviewing its approach in light of the publication of the 2018 UK Corporate Governance Code which recommends that engagement with the workforce takes place to explain how executive remuneration aligns with wider Company pay policy.

Consideration of shareholder views

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 or practices, as was the case in connection with the recent policy review.

Service contracts

Executive Directors have rolling service contracts which are terminable on no more than twelve months' notice on either side. Executive Directors are 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, Executive Directors 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.

The Chairman and Non-Executive Directors have formal letters of appointment which provide for three months' notice for the Chairman and 'reasonable notice' for the other Non-Executive Directors. These letters of appointment also provide for additional payments to be made post termination in the event that they are required to spend material time assisting the Company, for example in connection with an investigation for which they are entitled to be indemnified by the Company.

There are no other provisions for payment for loss of office. Directors' service contracts are kept available for inspection at the Company's registered office.

Policy if a new Director is appointed

When hiring a new Executive Director, or promoting an individual to the Board, the Remuneration 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 Remuneration Committee may use other elements of remuneration if it considers it appropriate with due regard to the best interests of the shareholders. In particular, a service contract that contains a longer initial notice period, tapering down to twelve months over a set period of time, the buy-out of short and/or long term incentive arrangements (taking account of the performance measures on such incentives) as close as possible on a comparable basis, the provision of long term incentives and the provision of benefits such as housing allowance or similar (particularly where it is an expatriate appointment) may be offered.

That said, the Remuneration Committee's policy is not to provide sign-on compensation. In addition, the Remuneration Committee's policy is not to provide buy-outs as a matter of course. However, should the Remuneration Committee determine that the individual circumstances of recruitment justified the provision of a buy-out, an estimate of the equivalent value of any incentives that will be forfeited on cessation of a Director's previous employment will be calculated taking into account:

- the proportion of the performance period completed on the date of the Director's cessation of employment;
- the performance conditions attached to the vesting of these incentives and the likelihood of them being satisfied;
- the timeframe to receipt of shares; and
- any other terms and conditions having a material effect on their value ("lapsed value").

The Remuneration Committee may then grant up to the equivalent value as the lapsed value, where possible, under the Company's incentive plans and any buy-out would typically aim to mirror the form and structure of what is forfeited on joining the Company. To the extent that it is not possible or practical to provide the buy-out within the terms of the Company's existing incentive plans the Remuneration Committee may, in exceptional circumstances consider it appropriate to grant an award under a different structure to facilitate a buy-out of outstanding awards held by an individual on recruitment.

Where an existing employee is promoted to the Board, the policy set out above would apply from the date of promotion but there would be no retrospective application of the policy in relation to subsisting incentive awards or remuneration arrangements. Accordingly, prevailing elements of the remuneration package for an existing employee would be honoured and form part of the ongoing remuneration of the person concerned. These would be disclosed to shareholders in the annual report on Remuneration for the relevant financial year.

The Company's policy when setting fees for the appointment of new Non-Executive Directors is to apply the policy which applies to current Non-Executive Directors.

Remuneration report continued

Remuneration policy continued

Policy on payment for loss of office

Directors' contractual terms and conditions, including notice periods, are reviewed by the Remuneration and Nomination Committees.

The Company's approach to payment on loss of office will take account of the circumstances of the termination of employment. In the normal course, 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.

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 normally 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 (where appropriate) 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 normally be restricted to the Director's actual period of service only (i.e. be the subject of a possible reduction).

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 Committee and such bonus (if any) would normally be based on the period only up to the completion of the change of control, taking account of all the relevant key performance indicators.

The Remuneration Committee reserves the right to make additional payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation); or by way of settlement or compromise of any claim arising in connection with the termination of an Executive Director's office or employment; or in relation to the provision of outplacement or similar services.

With regard to annual bonus, the Remuneration Committee's approach will be influenced by the circumstances of the cessation. A departing executive may be entitled to a bonus and, if so, such bonus will normally be pro rated for the period of employment and be payable at the end of the relevant year based on performance against the relevant targets. Bonuses may be paid in respect of the year in which a change of control occurs, if the Remuneration Committee considers this appropriate, with the Remuneration Committee determining the level of bonus taking into account any factors it considers appropriate.

In relation to the PSP, in normal circumstances awards lapse on cessation of employment. However, in certain "good leaver" circumstances awards will normally vest at the expiry of the performance period subject to performance against the targets and a pro rata reduction (unless the Remuneration Committee determines otherwise). In the event of a change in control, awards will normally vest at that point subject to performance against the targets and a pro rata reduction (unless the Remuneration Committee determines otherwise).

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.

Annual remuneration report

Single figure table in US\$ (audited)

Executives	Salary 2018	Salary 2017	Benefits 2018	Benefits 2017	Bonus 2018	Bonus 2017	LTI 2018	LTI 2017	Pension 2018	Pension 2017	Total 2018	Total 2017
Josef El-Raghy	745,444	687,735	Nil	26,239	Nil	852,675	—	Nil	149,088	137,547	894,532	1,704,196
Andrew Pardey	691,691	638,143	94,907	84,076	Nil	648,244	357,455	1,726,328	Nil	Nil	1,144,053	3,096,791
Ross Jerrard	542,363	453,767	57,662	14,507	283,870	378,225	453,295	—	Nil	Nil	1,337,190	846,499
Total	1,979,498	1,779,645	152,569	124,822	283,870	1,879,144	810,750	1,726,328	149,088	137,547	3,388,247	5,647,486
Non-executives	Fees 2018	Fees 2017	Benefits 2018	Benefits 2017	Bonus 2018	Bonus 2017	LTI 2018	LTI 2017	Pension 2018	Pension 2017	Total 2018	Total 2017
Edward Haslam	170,335	163,185	—	—	—	—	—	—	—	—	170,335	163,185
Mark Bankes	122,641	113,773	—	—	—	—	—	—	—	—	122,641	113,773
Mark Arnesen	122,641	113,773	—	—	—	—	—	—	—	—	122,641	113,773
Alison Baker	97,126	—	—	—	—	—	—	—	—	—	97,126	—
Dr Ibrahim Fawzy	31,737	—	—	—	—	—	—	—	—	—	31,737	—
Trevor Schultz	29,603	104,438	—	—	—	—	—	—	—	—	29,603	104,438
Total	574,082	495,169	—	—	—	—	—	—	—	—	574,082	495,169

Notes to table:

- All salaries are paid in sterling.
- 40% of the performance conditions relating to PSP awards granted in 2016 have been met as at 31 December 2018 and the full market value (based on the average of the last three months of 2018) has been attributed to the table above. Details of the grants made under the terms of the PSP can be found in page 135.
- Benefits are within the limits of the policy and relate primarily to travel related costs to and from the individual's 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 2018 was 1.364. Bonus accruals for 2018 applied an exchange rate of GBP:US\$1.2823 to reflect the exchange rate at the end of the year.
- The pension payable to Josef El-Raghy represents a cash payment in lieu of contributions to a pension scheme.

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 Remuneration Committee reviews and recommends, for Board approval, remuneration levels and policies for Directors within this overall Directors' fee pool. The fees which are paid are also periodically reviewed. The current annual fee rate for Non-Executive Directors is as follows:

	As at 31 December 2018	As at 31 December 2017
Annual base fee	GBP65,000 (US\$83,350)	GBP65,000 (US\$84,273)
Chairman of a Board committee	GBP10,000 (US\$12,823)	GBP10,000 (US\$12,965)
Member of a Board committee	GBP5,000 (US\$6,411)	GBP5,000 (US\$6,482)
Deputy Chairman and Senior Independent Director	GBP125,000 (US\$160,288)	GBP125,000 (US\$162,064)

Notes to table:

- During 2018 Edward Haslam undertook an enhanced role as Deputy Chairman and senior Non-Executive Director. These duties are reflected in this fee. The fee remains unchanged in 2018 and no further remuneration has been applied for additional committee membership.
- The Company reviewed the Non-Executive Director fees during 2018 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.

Remuneration report continued

Annual remuneration report continued

2018 annual bonus (audited)

The 2018 bonus plan for the Executive Directors was based upon a balanced scorecard approach designed to encourage and reward the delivery of operational, financial, strategic and corporate performance. 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 used 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.

In relation to Josef El-Raghy, the Remuneration Committee noted that during 2018 he served a twelve month notice period. To reflect this, and his ongoing role as Non-Executive Chair, the Committee agreed that a bonus would not be awarded to Josef El-Raghy for 2018 (although the Remuneration Committee noted that

a successful handover of executive duties had been undertaken from Josef to Andrew Pardey).

Andrew Pardey's 2018 bonus was split between 70% business and 30% individual targets as follows:

- 70% – business targets 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% – individual targets based on a number of factors such as i) achieving pre-feasibility study in West Africa and building relations with the authorities in Burkina Faso and Côte d'Ivoire, ii) governance objectives including diversity improvements and senior management appointments, iii) ESG-related targets (e.g. relating to preparation of a feasibility study for the installation of a 15MW solar power plant on site at Sukari), iv) employee welfare targets (e.g. continue to develop and review HR policies and procedures), v) human rights targets (e.g. 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 vi) disclosure targets (e.g. develop policies and processes towards GRI compliance).

The following table summarises performance against Andrew Pardey's 2018 bonus targets (audited):

	Performance measure	Weighting	Maximum bonus opportunity	Provisional outturn as % of maximum bonus opportunity
Business targets	Financial (see breakdown below)	20%	25%	0%
	Operational (see breakdown below)	30%	37.5%	4%
	Strategic	10%	12.5%	3%
	Corporate	10%	12.5%	5%
Individual targets	Individual KPIs	30%	37.5%	15%
Total		100%	125%	27%

Performance against Andrew's financial and operational targets were as follows (audited):

Category	Performance measure	% of bonus opportunity	Threshold	Target	Maximum	Actual	Provisional outturn as % of maximum bonus opportunity
Financial (20%)	EBITDA (US\$m)	10%	319	354	372	258	0%
	All-in sustaining/ production cost (US\$ per ounce)	10%	847/610	770/555	731/527	884/624	0%
Operational (30%)	Production ('000 ounces)	25%	522	580	609	472	0%
	LTIFR	5%	0.27	0.08	0.01	0.06	4%

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.
- AISC is based on ounces sold.
- Production is based on ounces produced.
- LTIFR is based on 200,000 working hours calculated for the Group.
- Due to a change in accounting policy (see note 1.2.1 in the financial statements), target EBITDA has been adjusted to deduct E&E expenditure which is now expensed, rather than capitalised, so the measure is on an equivalent basis to the actual.

In reviewing performance against the strategic, corporate and individual targets, the Remuneration Committee considered the key milestones achieved during the year which Andrew Pardey was instrumental in delivering. These included the following:

ANDREW PARDEY	
ACHIEVED (UNAUDITED)	
<p>Strategic (see full details in the strategic report and operational highlights)</p> <ul style="list-style-type: none"> • Delivered reserve replacement at Sukari Underground • Progressed Sukari Underground operation – Cleopatra exploration & development • Exploration drilling programmes in Côte d'Ivoire (Doropo and ABC projects) undertaken • Reviewed and assessed M&A projects • Preparation of long term mine plans and related models 	Total provisional outturn (as % of max bonus): 3%
<p>Corporate (see full details in the 2018 sustainability report which is published separately)</p> <ul style="list-style-type: none"> • More than 95 Take5 pre-start micro-risk assessment completed every day • 38.9% of all water recycled • +\$744,574 invested in community development projects in 2018 • 58% of suppliers at Sukari are Egyptian up from 45% in 2017 	Total provisional outturn (as % of max bonus): 5%
<p>Individual KPIs (see further details in the operational review, Nomination Committee and sustainability reports)</p> <ul style="list-style-type: none"> • Updated resource statements covering Doropo and ABC in Côte d'Ivoire • Arranged and attended key government meetings in Egypt • Board succession and diversity progressed • Senior management team appointments made • Solar power farm evaluation progressed • Supply chain reviewed/preparation of human rights policies undertaken • HR policies and procedures reformed • GRI compliance and CDP disclosures made 	Total provisional outturn (as % of max bonus): 15%

Remuneration report continued

Annual remuneration report continued

2018 annual bonus (audited) continued

However, at the recommendation of the Remuneration Committee and taking into account the production challenges during 2018 which resulted in the downgrades on during the year, Andrew Pardey agreed to waive all amounts achieved under his bonus arrangements (amounting to 27% of his maximum bonus), resulting in a zero bonus payout for 2018.

Ross Jerrard's 2018 bonus was also split between 70% business and 30% individual targets 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% – individual targets based on a number of factors such as; i) building the management team and taking on the new responsibilities as Executive Director; ii) building team capabilities across finance and HR; iii) delivering high quality and timely financial and non-financial metrics; iv) providing quality and timely financial information to the Board; and v) implementing upgrades to financial systems and reporting.

The following table summarises performance against Ross Jerrard's 2018 bonus targets (audited):

	Performance measure	Weighting	Maximum bonus opportunity	Provisional outturn as % of maximum bonus opportunity
Business targets	Financial (see breakdown below)	20%	25%	0%
	Operational (see breakdown below)	30%	37.5%	4%
	Strategic	10%	12.5%	5%
	Corporate	10%	12.5%	8%
Individual targets	Individual KPIs	30%	37.5%	27%
	Total	100%	125%	44%

Performance against Ross Jerrard's financial and operational targets were as follows (audited):

Category	Performance measure	% of bonus opportunity	Threshold	Target	Maximum	Actual	Provisional outturn as % of maximum bonus opportunity
Financial (20%)	EBITDA (US\$m)	10%	319	354	372	258	0%
	All-in sustaining and production cost (US\$ per ounce)	10%	847/610	770/555	731/527	884/624	0%
Operational (30%)	Production ('000 ounces)	25%	522	580	609	472	0%
	LTIFR	5%	0.27	0.08	0.01	0.06	4%

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.
- AISC is based on ounces sold.
- Production is based on ounces produced.
- LTIFR is based on 200,000 working hours calculated for the Group.
- Due to a change in accounting policy (see note 1.2.1 to the financial statements), target EBITDA has been adjusted to deduct E&E expenditure which is now expensed, rather than capitalised, so the measure is on an equivalent basis to the actual.

In reviewing performance against the strategic, corporate and individual targets, the Remuneration Committee considered the key milestones achieved during the year which Ross Jerrard was instrumental in delivering. These included the following:

ROSS JERRARD	
ACHIEVED (UNAUDITED)	
<p>Strategic (see further details in the strategic report and financial review)</p> <ul style="list-style-type: none"> • Reviewed and assessed potential M&A projects (building models to assess potential) • Prepared and contributed to long term mine plan modelling • Management of both capex and E&E spend within approved budget parameters 	Total provisional outturn (as % of max bonus): 5%
<p>Corporate (see further details in the financial review)</p> <ul style="list-style-type: none"> • Handled tax related matters across the Company's jurisdictions • Insurance renewal programme undertaken – improvements secured in cover and reduction in overall premium on insurance • Treasury management undertaken and maintained dividend distributions in excess of policy • Minimised impact of cost per ounce metrics despite downgrade in production guidance • Improved internal reporting and ensured timely delivery of financial information 	Total provisional outturn (as % of max bonus): 8%
<p>Individual KPIs (see further details in the financial review and audit and risk report)</p> <ul style="list-style-type: none"> • Maintained good relations with EMRA and government, attending key meetings and scheduled assemblies • Delivery of audit and assurance engagements • Successful management of FRC enquiry – see more in the audit and risk report on page 113 • Secured reduction in Inventory and working capital • Reductions in minimum stock levels and key consumables and reagents secured • Sector leading management of corporate costs (\$30 per ounce produced) • Work with suppliers and supply chain management improved • Systems improvements made in inventory and accounting across the business 	Total provisional outturn (as % of max bonus): 27%

Remuneration report continued

Annual remuneration report continued

2018 annual bonus (audited) continued

The Remuneration Committee assessed Ross Jerrard's performance against his bonus targets and it was recommended by the Remuneration Committee, and approved by the Board, that Ross Jerrard should be paid the following bonuses; i) 4% of his maximum bonus opportunity for the LTIFR element; and ii) 40% of his maximum bonus entitlement by reference to performance against the remaining strategic, corporate and individual KPIs. It should be noted that Ross Jerrard's personal targets related to deliverables which were not impacted by (or directly related to) the operational challenges faced in 2018 and therefore the Remuneration Committee felt that it was not necessary or appropriate for Ross to waive his award. Achievement against the KPIs are assessed by the Remuneration Committee comparing the relative achievement during the year and the pre-determined indicators set at the beginning of the year.

Therefore, the bonus outcome for Ross Jerrard for 2018 was 44% of the maximum opportunity of 125%, which equates to GBP221,357 and represents 55% of base salary.

Long term incentives – shares award table (audited)

Vesting of June 2016 PSP award

The performance conditions for the grants made in June 2016 covered the period from 31 December 2015 to 31 December 2018. 40% of the performance conditions have now been met as set out below:

PERFORMANCE CONDITIONS	RANGE	% ACHIEVED
20% – relative total shareholder return	31 December 2015 to 31 December 2018: achieved upper quartile (ranked fourth out of 15-strong comparator group) ⁽¹⁾	100%
30% – mineral reserve replacement	105% replacement (level of performance for 100% payout) 75% replacement (level of performance for 25% payout) Global Sukari reserve replacement achieved: 0%	0%
20% – compound growth rate in EBITDA	9% CAGR (level of performance for 100% payout) 5% CAGR (level of performance for 25% payout) 31 December 2015: EBITDA US\$117,817 million ⁽²⁾ 31 December 2018: EBITDA US\$257,934 million CAGR in EBITDA achieved of 29.8%: 100%	100%
30% – compound growth in gold production	8% CAGR (level of performance for 100% payout) 4% CAGR (level of performance for 25% payout) 31 December 2015: gold production of 508,396 ounces 31 December 2018: gold production of 472,418 ounces CAGR of gold production achieved: 0%	0%

(1) TSR against the comparator group was independently verified by Korn Ferry.

(2) Due to a change in accounting policy see note 1.2.1 in the financial statements, published EBITDA in the 2015 financial statements has been adjusted to deduct E&E expenditure which is now expensed, rather than capitalised, so the measure is on an equivalent basis.

For Andrew Pardey, 276,000 of the 690,000 shares over which awards were granted in 2016 shall vest. For Ross Jerrard, 350,000 of the 875,000 shares over which awards were granted in 2016 shall vest. 50% of the vested award will vest in June 2019 and the remaining 50% vested will be held for a further two years.

PSP award table – Andrew Pardey

Award	Type	End of performance period	Basis of award granted	Granted	Total vested in 2018 ⁽⁵⁾	Total unvested ⁽⁴⁾	Value of award at grant date in US\$	Total vested ^(5,6)
PSP 4 June 2015	Conditional award	31 Dec 2017	150% of base salary	900,000	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⁾	276,000
PSP 4 June 2017	Conditional award	31 Dec 2019	150% of base salary	440,000	—	440,000	824,560 ⁽³⁾	—
PSP 4 June 2018	Conditional award	31 Dec 2020	150% of base salary	640,000	—	640,000	696,320 ⁽⁴⁾	—

There is nil cost for conditional awards which are subject to performance conditions.

PSP award table – Ross Jerrard

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 ^(5,6)
PSP 4 June 2016	Conditional award	31 Dec 2018	250% of base salary	875,000	—	875,000	1,181,373 ⁽²⁾	350,000
PSP 4 June 2017	Conditional award	31 Dec 2019	200% of base salary	420,000	—	420,000	787,080 ⁽³⁾	—
PSP 4 June 2018	Conditional award	31 Dec 2020	150% of base salary	510,000	—	510,000	554,880 ⁽⁴⁾	—

(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: 1.46; 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: 1.97; 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 value of the award granted under the terms of the PSP on 27 June 2018 in US\$ is 40% TSR: 0.71; 20% EBITDA: 1.34; 40% gold production: 1.34. The market value of the shares as at the date of the award, in accordance with the scheme rules, was £1.17 per share.

(5) 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 vested in June 2018.

(6) The performance conditions for the grant made in June 2016 achieved 40% and the current market value is included in the single figure table. The awards made in June 2016 are due to vest in June 2019.

Remuneration report continued

Annual remuneration report continued

Service contracts

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.

	ANDREW PARDEY	ROSS JERRARD
Date of agreement	February 2019.	February 2019.
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	Andrew Pardey does not receive a pension or a cash payment in lieu of a pension and this will remain under review.	Ross Jerrard 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 Remuneration Committee from time to time.	Eligible to participate in an annual bonus arrangement as determined by the Remuneration 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, 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.	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.
Long term incentives	Eligible to participate in the PSP.	Eligible to participate in the PSP.

Shareholding guidelines (audited)

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 200% of base salary. 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 2018	Unvested awards ⁽¹⁾	Balance ⁽⁴⁾	Percentage of base salary ^(3,4)
Executive Directors⁽²⁾				
Andrew Pardey	3,789,268	1,770,000	2,019,268	433%
Ross Jerrard	1,805,000	1,805,000	—	0% ⁽⁵⁾
Non-Executive Directors⁽²⁾				
Josef El-Raghy	10,500,000	—	10,500,000	n/a
Edward Haslam	127,056	—	127,056	n/a
Mark Arnesen	49,000	—	49,000	n/a
Mark Bankes	190,000	—	190,000	n/a
Alison Baker	—	—	—	n/a
Ibrahim Fawzy	—	—	—	n/a
Trevor Schultz ⁽⁶⁾	32,600	—	—	n/a

(1) No Non-Executive Directors hold shares, share options or awards that are subject to performance measures.

(2) There have been no changes to Directors' shareholdings from 31 December 2018 to the date of this report.

(3) The valuations of the shareholdings are based on the share price at 31 December 2018.

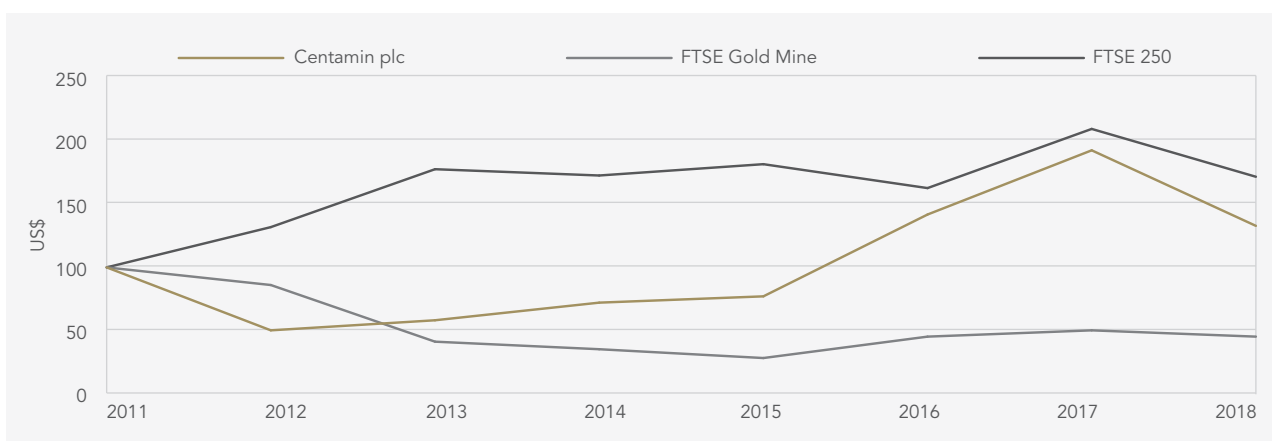
(4) Includes shares held subject to the two year holding period under the terms of the PSP.

(5) In June 2019, 350,000 shares are due to vest to Ross Jerrard resulting in share ownership with a value of circa 100% of base salary.

(6) Reflects the share ownership as at 26 March 2018 when Trevor Schultz resigned as a Director.

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 seven years. The graphs were chosen to allow shareholders to compare the Company's performance against other peers considered relevant for these purposes.



Remuneration report continued

Annual remuneration report continued

Performance graph and CEO remuneration table continued

The Remuneration Committee considers that these indices are appropriate comparators of the Company for this purpose. We have reflected details of the CEO pay from 2011, when Centamin plc was incorporated.

	Single figure remuneration	Annual bonus as % of maximum	Long term incentives vesting in year as % of maximum
Chairman – Josef El-Raghy			
2011 (Chairman/CEO)	US\$1,290,742	65%	n/a
2012 (Chairman/CEO)	US\$1,920,644	80%	n/a
2013 (Chairman/CEO)	US\$2,020,562	75%	n/a
2014 (Chairman/CEO)	US\$2,073,192	80%	n/a
2015 (Chairman)	US\$1,862,338	70%	n/a

	Single figure remuneration	Annual bonus as % of maximum	Long term incentives vesting in year as % of maximum
CEO – Andrew Pardey			
2016	US\$1,205,892	77%	0%
2017	US\$3,096,791	78%	100%
2018	US\$1,144,053	Bonus waived	40%

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

Percentage change in remuneration (unaudited)

The Company has chosen the comparator group to be all the employees of the Centamin Group (excluding Non-Executive Directors).

	Percentage change in salary between 2017 and 2018	Percentage change in benefits between 2017 and 2018	Percentage change in bonus between 2017 and 2018
Comparator group ⁽¹⁾	3%	24%	-40%
Centamin's Chief Executive Officer ⁽²⁾	3%	0%	-100%

(1) Based on the average number of employees based in Egypt in 2018: 1,380 (2017: 1,345 employees).

(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 2017 and 2018	Percentage change	Spend on pay \$million
Comparator group ⁽¹⁾	-2%	23.38
Remuneration of Centamin's Executive Directors	-16%	2.56
Remuneration of Centamin's Non-Executive Directors	0%	0.5
Distributions to Centamin shareholders ⁽²⁾	-55%	63.5

(1) Based on the average number of employees based in Egypt in 2018: 1,380 (2017: 1,345 employees).

(2) The percentage change relates to distributions to shareholders based on the amount paid during 2017 and 2018.

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.

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.

Long term incentive arrangements

Introduction

Centamin introduced a long term incentive scheme (the "Performance Share Plan", or "PSP") which was approved by shareholders at the AGM on 18 May 2015. The PSP was introduced to provide a suitable recruitment and retention tool for any new or promoted executives and incentivise Executive Directors and senior management. The PSP takes due account of best practice guidelines and provides 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 PSP, the Company has granted the following awards:

June 2015

5,145,000 conditional awards to employees of the Group. The awards granted on 4 June 2015 vested on 4 June 2018 (with 50% of the vested shares deferred for a further two years) based on the performance conditions over the three year financial period ended 31 December 2018, 100% of the award vested.

June 2016

4,999,000 conditional awards to employees of the Group. The awards granted on 4 June 2016 will (subject to continued employment) vest on 4 June 2019 (with 50% of the vested shares deferred for a further two years) be subject to satisfaction of the

performance conditions over the three year financial period ended 31 December 2018. As noted above, 40% of these awards vested.

June 2017

3,459,000 conditional awards to employees of the Group. The awards granted in June 2017 will vest in June 2020 (with 50% of the vested shares deferred for a further two years) and 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 but are (in summary), (i) 20% of the award shall be assessed by reference to a target total shareholder return; (ii) 30% of the award shall be assessed by reference to reserve replacement and growth, (iii) 20% of the award shall be assessed by reference to EBITDA (adjusted for non-cash impairments) and (iv) 30% of the award shall be assessed by reference to compound growth in gold production.

June 2018

4,908,000 conditional awards to employees of the Group. The awards granted on 27 June 2018 will vest in 27 June 2021 (with 50% of the vested shares deferred for a further two years) and will be subject to satisfaction of the following performance conditions over the three-year financial period ended 31 December 2020:

- TSR: 40% of the award – vs a bespoke Group of listed mining peers (median vesting 25% of award, upper quartile full vesting);
- EBITDA (adjusted for non-cash impairments and non-recurring items): 20% of the award – if a compound annual growth rate of 3.5% of EBITDA is achieved by 2020, all 20% 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; and

- gold production: 40% 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 40% 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.

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.

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.

Payment to past Directors (audited)

There are no payments to past Directors of the Company.

Remuneration report continued

Annual remuneration report continued

Payment for loss of office (audited)

There are no payments to Directors for loss of office.

The Committee

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 in this report. 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.

Committee members	Joined	Attendance in 2018
Edward Haslam (Chairman of the Committee)	2011	4 of 4
Mark Arnesen	2011	4 of 4
Mark Bankes	2017	4 of 4

Activities of the Committee

The Committee met four times during the year and also approved two sets of resolutions by way of written resolution. The business conducted during the year is set out below:

DATE OF ACTIVITY	SUMMARY OF ACTIVITY
21 March 2018	Scheduled quarterly Committee meeting – review of shareholder and proxy feedback ahead of the AGM on 26 March 2018.
26 March 2018	AGM followed an announcement of the Committee's actions to address the significant votes against the policy and remuneration report. Tender process initiated to identify a remuneration consultant to assist the Committee to understand the issues raised by shareholders, to carry out a consultation with shareholders and review and improve the remuneration policy to the satisfaction of shareholders and the Executive Directors.
30 April 2018	Finalising the tender for the selection and appointment of the remuneration consultant. This process resulted in the appointment of Korn Ferry in early May 2018.
16 May 2018	The Committee undertook a thorough shareholder engagement programme with two key letters sent to investors and proxy advisory groups. The first letter took account of shareholder feedback and responded by adjusting the PSP metrics and increasing the shareholding requirement to 200%. The second letter sought to engage on the proposed broad changes to the remuneration policy and approach to the disclosures in the DRR. The consultation included face to face meetings with shareholders and proxy advisory groups.
4 June/27 June 2018	Review and approval of grants and revised performance conditions under the Company's share plans.
18 September 2018	Review of draft policy proposal following feedback and consultation with major investors. Follow up letter to investors outlining proposed structure of the remuneration policy.
13 December 2018	Conducting performance reviews for the executive and management, taking account of the objectives set at the beginning of the year.
January/February 2019	Prepare and finalise the DRR and remuneration policy in line with the shareholder consultation and committee and Board recommendations. Finalise the 2018 bonus and PSP outcome. Finalise the 2019 bonus criteria, taking account of the individual's objectives, the Company's priorities and workforce targets. Finalise the 2019 PSP performance conditions. Review the amendments to the Charter taking account of the 2018 Code.

Advice provided to the Committee

Korn Ferry was appointed by the Committee during the year following a tender process to provide independent advice on remuneration matters. Representatives from Korn Ferry attend Committee meetings and provide advice and briefings to the Committee Chairman outside of meetings as necessary. Fees are charged on a cost incurred basis and the fees charged by Korn Ferry in the year ended 31 December 2018 totalled £35,000. Korn Ferry is a member of the Remuneration Consultants Group and operates voluntarily under the Group's code which sets out the scope and conduct of the role of executive remuneration consultants when advising UK listed companies. The Committee is satisfied that the advice provided on matters of remuneration remains objective and independent. Korn Ferry did not provide any other advice to the Company.

Shareholder voting at the AGM

At the AGM of the Company on 26 March 2018 the following votes for and against the adoption of the remuneration report and policy were as follows:

	For	Against	Withheld
Approval of the remuneration report	531,913,702	249,326,064	6,223,763
Approval of the remuneration policy	372,494,622	403,620,079	11,347,428

The reasons for the votes against the resolutions included; i) the structure, operation and approach to disclosure relating to the annual bonus; ii) the size of the share ownership guidelines; and iii) the proposed 2018 PSP targets. As noted above, following the AGM the Committee undertook a full review of the Company's approach to executive remuneration and is tabling a revised policy for shareholder approval at the forthcoming AGM.

Policy implementation in 2019

Subject to shareholder approval being obtained for the revised policy at the AGM, the Committee intends to adopt the following approach to remuneration in 2019:

Base salary

Andrew Pardey and Ross Jerrard are to receive a 3% increase on their base salary in 2019 in line with the increase in cost of living.

Pension/other benefits

No changes will be made to the approach adopted in the past i.e. neither Andrew Pardey nor Ross Jerrard will receive a pension. To reflect his change in role, Josef El-Raghy will no longer be offered a pension provision.

Annual bonus

Annual bonus opportunity for Andrew Pardey and Ross Jerrard will remain unchanged at 125% of salary. Josef El-Raghy will no longer participate in the annual bonus plan.

Reflecting the new policy:

- 70% of the bonus opportunity will be based on financial/objectively measurable targets, namely production (assessed by reference to both volume and safety record via LTIFR), adjusted EBITDA, sustaining and direct operating costs, non-sustaining costs and capital projects;
- the remaining 30% will be based on personal/strategic targets; and
- any bonus earned in excess of 75% of salary will be deferred into shares.

Remuneration report continued

Annual remuneration report continued

Policy implementation in 2019 continued

Annual bonus continued

Further detail of the 2019 bonus structure is set out below which apply to both Andrew Pardey and Ross Jerrard:

	Performance measure	Weighting
Financial and objectively measurable	Production	10%
	LTIFR (global)	10%
	Adjusted EBITDA	10%
	Sustaining and direct operating costs	22.5%
	Non-sustaining and capital projects	17.5%
		70%
Individual KPIs	Balanced scorecard	30%

Notes to table:

- Threshold achievement represents 25% of the bonus opportunity for the respective performance measure.
- Target achievement represents 62.5% of the bonus opportunity for the respective performance measures (as explained in the Remuneration Committee Chairman's letter).
- Maximum achievement represents 100% of the bonus opportunity for the respective performance measure.
- Adjusted EBITDA will be per the published Non-GAAP measures.

As noted in the Remuneration Committee Chairman's letter, the reduced payout of 62.5% of maximum for target performance for 2019 (from 75% of maximum in 2018) is appropriate and should be considered in light of a number of factors such as; i) the bonus maximum of 125% of salary is relatively modest for a company of Centamin's size and complexity and, therefore a 62.5% of maximum payout for target performance, when expressed as a percentage of salary, is within the bandwidth of typical target bonus payouts offered by other similar sized companies that offer a higher bonus maximum; ii) when considered in the round, the Executive Directors' total target remuneration in aggregate reflects the appropriate amount when taking account of the market in which the Company operates and companies of a similar size and complexity, even with the 62.5% target payout under the bonus; iii) the more robust approach that will apply to the bonus structure going forward (e.g. bonus deferral, higher weighting on financial targets, more detailed target disclosure etc); and iv) the fact that the target level of performance that, if achieved, would result in a 62.5% of maximum payout will, across the performance measures, be stretching.

The 30% of the bonus opportunity payable by reference to performance against personal/strategic/corporate objectives will take account of the following:

ANDREW PARDEY	ROSS JERRARD
<ul style="list-style-type: none"> • Strategy setting and business development • Growth in reserves • Workforce engagement • Legal/financial/regulatory controls • Investor/government relations • ESG • Safety culture 	<ul style="list-style-type: none"> • Strategy/budget/planning/capital projects • Risk assessment • Internal/external audit • Financial/operating controls/systems • Finance/treasury • Personnel/training/development • Investor/government relations

Due to commercial sensitivity, the Committee does not believe it in shareholders' interests to provide more detailed prospective disclosure of the bonus targets. However, further detail will be provided in next year's report.

Performance Share Plan

Andrew Pardey and Ross Jerrard will receive PSP awards over shares worth 150% of salary, reflecting the approach adopted last year. Josef El-Raghy will not receive an award. Awards will vest based upon a blend of three year relative TSR, cash flow and production targets. Also, reflecting the new policy, these awards will be subject to a full two year post vesting holding period.

More particularly, the targets applied to this award are as follows:

Metric	Unit	Weighting	Threshold (25% vesting)	Stretch (100% vesting)
Relative TSR vs bespoke mining peer group		50%	Median	Upper quartile
Free cash flow	\$'million	25%	65	110
Gold production	'000 ounces	25%	510	590

Notes:

- The bespoke mining peer group will comprise 27 relevant comparator companies.
- The Remuneration Committee will assess performance based on gold produced in 2021 over the Sukari concession.
- The Remuneration Committee will assess performance based on free cash flow generated over the Sukari Concession Agreement in 2021.
- Free cash flow is a Non-GAAP measure and the Remuneration Committee will apply a retrospective adjustment for any non-sustaining capex that has not been considered as part of the estimate. Dividends payable to CEY shareholders have not been included in this estimate.

Non-Executive Directors

No changes to the fees of the Non-Executive Directors will be made for 2019, save to reflect recent changes in responsibilities and/or committee chairmanship or membership. To reflect his change in role, Josef El-Raghy will receive an annual fee of £250,000.

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

Edward Haslam

Chairman of the Remuneration Committee

1 March 2019

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24-hour operation at Sukari – view over the process plant.

Introduction

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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 ("IFRS") 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 IFRS 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.

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, are 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 116 and 117 and the risk management section on pages 42 to 47.

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 PricewaterhouseCoopers LLP, independent auditor, who was given unrestricted access to all financial records and related information, including minutes of all shareholder, Board and committee meetings.

The financial statements were approved by the Board of Directors on 1 March 2019 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 governance report, confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with IFRS 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 and governance 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 governance report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's auditor is 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 auditor is aware of that information.

On behalf of the Board:

Andrew Pardey Chief Executive Officer Director 1 March 2019	Ross Jerrard Chief Financial Officer Director 1 March 2019
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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 2018 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("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 2018; 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.

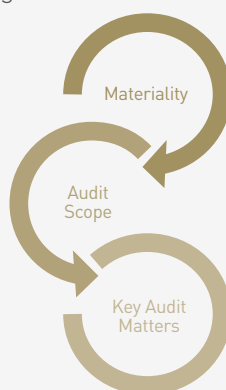
Independence

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: \$10.5 million (2017: \$9.5 million), based on 5% of three-year average profit before tax.
- We focused our audit procedures on the Sukari Gold Mine, as well as performing audit procedures over the Group's significant exploration operation and corporate activities. One component was subject to an audit of its 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

- Ongoing legal actions which are under appeal before the Supreme Administrative Court in Egypt concerning the validity of the Sukari Concession Agreement and the claim before the Administrative Court concerning diesel fuel disputes.
- Amounts due to the government with respect to the Sukari operation.
- Impairment of property, plant and equipment.

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 judgments, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

As in all of our audits we also addressed the risk of management override of internal controls, including 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 judgment, 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
<p>Ongoing legal actions</p> <p>The appeal before the Supreme Administrative Court in Egypt concerning the validity of the Sukari Concession Agreement</p> <p>Refer to page 192 (note 5.1 to the financial statements) and page 44 (Principal risks).</p> <p>The Group is in the process of appealing a ruling passed by the Egyptian Administrative Court in October 2012.</p> <p>If the ruling is upheld, the Group's operations at the Sukari site may be significantly reduced and there is therefore a risk of material impairment in property, plant and equipment at Sukari, which has a carrying value of \$835 million at 31 December 2018.</p> <p>The outcome of this matter is subject to significant uncertainty due to the political, social and economic environment in Egypt.</p> <p>The claim before the Administrative Court concerning diesel fuel disputes</p> <p>Refer to page 192 (note 5.1 to the financial statements) and page 44 (Principal risks).</p> <p>The Group is involved in an ongoing legal case relating to historical and current fuel subsidies in Egypt. The potential amount that could be recouped by the Group relating to the current subsidy case is \$327 million and the potential amount that the Group could have to pay if they lose the historical case is approximately \$22.5 million as at 31 December 2018.</p> <p>To date, the Group has booked a provision with respect to the \$327 million fuel payment, but has not provided for the historical \$22.5 million, based on internal and external assessments of the merits of the case, but has made disclosure of a contingent liability.</p> <p>The Group has disclosed the impact of the current subsidy case, being the difference between international and subsidised diesel prices that has impacted the Group's results for the year, in note 2.7 to the financial statements. No contingent asset has been recognised.</p>	<p>We discussed the cases with the Group's external legal advisers, and read correspondence including the Concession Agreement to understand the legal challenge and the basis of the Directors' assessment of the likely outcome of the cases.</p> <p>We assessed the competence and objectivity of the external legal advisers by considering factors including professional qualifications and fee arrangements. These procedures satisfied us that the external legal advisers were competent and objective.</p> <p>The appeal before the Supreme Administrative Court in Egypt concerning the validity of the Sukari Concession Agreement</p> <p>Based on our work summarised above, we determined that the Directors had reflected all available information in their assessment.</p> <p>The claim before the Administrative Court concerning diesel fuel disputes.</p> <p>We agreed the current year payments and the corresponding provision to the underlying accounting records. The results of the procedures we performed support the Directors' accounting treatment, under which no additional liability was recognised in respect of the \$22.5 million historical case and no contingent asset was recognised in respect of the current subsidy case</p> <p>We agreed the disclosures for both of these matters in note 2.7 and 5.1 to the financial statements and concluded that they are consistent with our understanding.</p>
<p>Amounts due to the government with respect to the Sukari operation</p> <p>Refer to page 172 (note 2.4 to the financial statements) and page 42 (Principal risks).</p> <p>The nature of the Concession Agreement means that there are items that can be open to interpretation. As a result the Group is subject to periodic challenges by Egyptian Mineral Resource Authority ("EMRA") on amounts owed under the Agreement.</p> <p>The amounts owed to EMRA with respect to the profit sharing arrangement under the Concession Agreement are based on management's best judgment of the probable amount of the profit share liability.</p> <p>As at 31 December 2018 the Group has accrued and paid dividends to the non-controlling interest in SGM of \$76 million as the result of profit sharing and cost recovery mechanisms under the Concession Agreement, which we considered merited our focus due to its size and nature.</p>	<p>We held discussions with management regarding its calculation of the amount due to EMRA. We agreed the amounts in the calculation to source documentation and the underlying accounting records.</p> <p>We read the minutes of meetings with EMRA and held discussions with the Group's external legal advisers regarding the current disputed items. We assessed management's estimate of the likely outcome of items currently in dispute to satisfy ourselves that amounts due to EMRA had been appropriately recorded.</p> <p>We performed procedures to ensure the completeness of amounts due to EMRA, with no material unrecorded amounts identified.</p> <p>We agreed the disclosure in note 2.4 to the financial statements to ensure it was consistent with the knowledge and understanding of the matter obtained in the course of the audit.</p>

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p>Impairment of property, plant and equipment Refer to page 160 (note 1.1.2.1 to the financial statements) and page 111 (audit and risk report).</p> <p>The Group has property, plant and equipment of US\$835 million as at 31 December 2018, primarily contained within the Sukari cash generating unit (“Sukari”).</p> <p>Management determined that the revision of the annual production guidance at Sukari during the year and corresponding decrease in share price was a trigger for an impairment assessment. Management therefore performed an impairment assessment based on the latest reserves and resources statements and the life of mine plan as at 31 December 2018. Management determined that the recoverable amount of Sukari exceeds the carrying value.</p> <p>The determination of recoverable amount was based on the fair value less costs to dispose, which was higher than value-in-use. The estimate of the recoverable amount requires significant judgments on the part of management in valuing Sukari. Management considered the key assumptions to be long term gold price, the in-situ resource multiple and short term production volume. Management sensitised the 2019 production volume, gold price forecast and in-situ multiple and concluded that any reasonably possible changes in these assumptions do not lead to impairment of the carrying value.</p>	<p>We considered management’s impairment trigger analysis and agreed that an impairment indicator exists.</p> <p>Management used external experts to prepare the reserves and resources statements for Sukari. We assessed the competence and objectivity of the experts by considering factors including professional qualifications and fee arrangements. We held discussions with the experts regarding the key judgments and estimates taken during the preparation of the reserves and resources statements.</p> <p>We used our valuation experts to assist us in evaluating the appropriateness of the gold price, discount rate and the in-situ resource multiple.</p> <p>In assessing the valuation of Sukari, we evaluated management’s future cash flow forecasts, and the process by which they were drawn up, including checking the mathematical accuracy of the cash flow models and agreeing future capital and operating expenditure to the latest Board approved budgets and the latest approved life of mine plan. We assessed the reasonableness of management’s future forecasts included in the cash flow forecasts in light of the historical accuracy of such forecasts and the current operational results. As a results of this assessment we performed sensitivity analysis around the key assumptions within the cash flow forecasts using a lower production profile, lower gold prices and lower in-situ resource multiple, based on what, in our view, a market participant may apply.</p> <p>Our sensitivity analysis highlighted that the estimate of the recoverable amount of Sukari is sensitive to changes in key assumptions, however, a reasonable possible change in these assumptions in isolation did not remove headroom or result in impairment. We satisfied ourselves that this was appropriately highlighted within the disclosures in note 1.1.2.1.</p>

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. In addition to the mine the Group continues its exploration projects in Burkina Faso and Côte d’Ivoire.

Our Group audit scope focused primarily on the Sukari Gold mine which was subject to a full-scope audit. Specific audit procedures were performed over material balances for four components relating to the Group’s exploration operations and corporate activities. We visited the Sukari mine and conducted audit fieldwork in Egypt and Jersey. During these visits, we observed and discussed mining and exploration operations with local management and held discussions with the Group’s external in-country legal counsel who are based in Cairo.

Furthermore, we performed work over the consolidation of the Group’s components and the Parent Company.

Independent auditor’s report continued

to the members of Centamin plc

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 judgment, we determined materiality for the financial statements as a whole as follows:

Overall Group materiality
\$10.5 million (2017: \$9.5 million).

How we determined it
5% of three-year average profit before tax (PBT).

Rationale for benchmark applied
We chose PBT as it is one of the key indicators of the financial performance of the Group. We used a three-year average due to the volatility of annual gold production.

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 between \$1.0 million and \$9.5 million.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above \$525,000 (2017: \$475,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

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. For example, the terms on which the United Kingdom may withdraw from the European Union, which is currently due to occur on 29 March 2019, are not clear, and it is difficult to evaluate all of the potential implications on the Company’s trade, customers, suppliers and the wider economy.
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 146 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 48 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 146, 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 108 describing the work of the Audit and Risk Committee does not appropriately address matters communicated by us to the Audit and Risk Committee.
- The Directors' statement relating to the 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 United Kingdom Companies Act 2006 ("Companies Act 2006"). The Directors have requested that we audit the part of the Directors' remuneration report specified by the Companies Act 2006 to be audited as if the Company were a 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 92 and 93, 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 146, 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 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.



Jonathan Lambert

for and on behalf of
PricewaterhouseCoopers LLP

Chartered Accountants and
Recognised Auditors

London

1 March 2019

Consolidated statement of comprehensive income

for the year ended 31 December 2018

	Note	31 December 2018 US\$'000	Restated ⁽¹⁾ 31 December 2017 US\$'000
Revenue	2.2	603,248	675,510
Cost of sales	2.3	(406,538)	(414,341)
Gross profit		196,710	261,169
Other income		49	680
Finance income	2.3	4,815	2,729
Other operating costs	2.3	(27,866)	(36,927)
Exploration and evaluation expenditure	1.2.1	(21,006)	(20,286)
Profit for the year before tax		152,702	207,365
Tax	2.5	(53)	(2,063)
Profit for the year after tax		152,649	205,302
Profit for the year after tax attributable to:			
– the owners of the parent		74,845	96,355
– non-controlling interest in SGM ⁽²⁾	2.4	77,804	108,946
Other comprehensive expense			
Items that may be reclassified subsequently to profit or loss:			
Loss on financial assets at fair value through other comprehensive expense (net of tax)	4.3	(125)	(91)
Other comprehensive expense for the year		(125)	(91)
Total comprehensive income for the year		152,524	205,211
Total comprehensive income for the year attributable to:			
– the owners of the parent		74,720	96,265
– non-controlling interest in SGM ⁽²⁾	2.4	77,804	108,946
Earnings per share attributable to owners of the parent:			
Basic (US cents per share)	6.4	6.497	8.377
Diluted (US cents per share)	6.4	6.444	8.312

(1) Restated due to change in accounting policy, refer to note 1.2.1 for further information.

(2) Restated due to change in presentation, refer to note 1.1.1 for further information.

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 2018

	Note	31 December 2018 US\$'000	Restated ⁽¹⁾ 31 December 2017 US\$'000	Restated ⁽¹⁾ 1 January 2017 US\$'000
Non-current assets				
Property, plant and equipment	2.8	835,987	851,099	868,926
Exploration and evaluation asset	1.2.1	59,154	63,885	65,700
Inventories – mining stockpiles	1.2.2	32,424	—	—
Prepayments	2.7	—	—	295
Other receivables	2.6	88	96	81
Total non-current assets		927,653	915,080	935,002
Current assets				
Inventories	1.2.2	97,550	105,210	128,582
Financial assets at fair value through other comprehensive income	4.3	—	125	130
Trade and other receivables	2.6	33,443	34,467	24,870
Prepayments	2.7	6,696	9,793	7,508
Cash and cash equivalents	2.13	282,627	359,680	399,873
Total current assets		420,316	509,275	560,963
Total assets		1,347,969	1,424,355	1,495,965
Non-current liabilities				
Provisions	2.10	13,748	10,961	7,697
Total non-current liabilities		13,748	10,961	7,697
Current liabilities				
Trade and other payables	2.9	39,246	51,585	43,991
Tax liabilities	2.5	3	469	—
Provisions	2.10	8,155	9,311	3,976
Total current liabilities		47,404	61,365	47,967
Total liabilities		61,152	72,326	55,664
Net assets		1,286,817	1,352,029	1,440,301
Equity				
Issued capital	2.11	670,589	668,732	667,472
Share option reserve	2.12	5,688	4,323	3,048
Accumulated profits		610,540	678,974	769,781
Total equity attributable to:				
– owners of the parent		1,287,087	1,353,712	1,439,301
– non-controlling interest in SGM ⁽²⁾	2.4	(270)	(1,683)	1,000
Total equity		1,286,817	1,352,029	1,440,301

(1) Restated due to change in accounting policy, refer to note 1.2.1 for further information.

(2) Restated due to change in presentation, refer to note 1.1.1 for further information.

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

The audited consolidated financial statements was approved by the Board of Directors on 1 March 2019 and signed on its behalf by:



Andrew Pardey
Chief Executive Officer
Director
1 March 2019



Ross Jerrard
Chief Financial Officer
Director
1 March 2019

Consolidated statement of changes in equity

for the year ended 31 December 2018

Note	Issued capital US\$'000	Share option reserve US\$'000	Accumulated profits US\$'000	Total US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
	668,732	4,323	785,604	1,458,659	(1,683)	1,456,976
Impact of change in accounting policy	1.2.1	—	(104,947)	(104,947)	—	(104,947)
	668,732	4,323	680,657	1,353,712	(1,683)	1,352,029
Profit for the year after tax	—	—	74,845	74,845	77,804	152,649
Other comprehensive expense for the year	—	—	(125)	(125)	—	(125)
	—	—	74,720	74,720	77,804	152,524
Recognition of share-based payments	—	3,222	—	3,222	—	3,222
Transfer of share-based payments	1,857	(1,857)	—	—	—	—
Dividend paid – non-controlling interest in SGM	2.4	—	—	—	(76,391)	(76,391)
Dividend paid – owners of the parent	—	—	(144,567)	(144,567)	—	(144,567)
	670,589	5,688	610,810	1,287,087	(270)	1,286,817

Note	Issued capital US\$'000	Share option reserve US\$'000	Accumulated profits US\$'000	Total US\$'000	Restated ⁽¹⁾ Non-controlling interests US\$'000	Total equity US\$'000
	667,472	3,048	856,999	1,527,519	1,000	1,528,519
Impact of change in accounting policy	1.2.1	—	(88,218)	(88,218)	—	(88,218)
	667,472	3,048	768,781	1,439,301	1,000	1,440,301
Profit for the year after tax	—	—	96,356	96,356	108,946	205,302
Other comprehensive expense for the year	—	—	(91)	(91)	—	(91)
	—	—	96,265	96,265	108,946	205,211
Recognition of share-based payments	—	2,535	—	2,535	—	2,535
Transfer of share-based payments	1,260	(1,260)	—	—	—	—
Dividend paid – non-controlling interest in SGM	2.4	—	—	—	(111,629)	(111,629)
Dividend paid – owners of the parent	—	—	(184,389)	(184,389)	—	(184,389)
	668,732	4,323	680,657	1,353,712	(1,683)	1,352,029

(1) Restated due to change in presentation, refer to note 1.1.1 for further information.

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 2018

	Note	31 December 2018 US\$'000	Restated ⁽¹⁾ 31 December 2017 US\$'000
Cash flows from operating activities			
Cash generated in operating activities	2.13	223,791	338,664
Income tax refund received		—	108
Income tax paid		(387)	(1,678)
Net cash generated by operating activities		223,404	337,094
Cash flows from investing activities			
Acquisition of property, plant and equipment		(83,454)	(76,872)
Brownfield exploration and evaluation expenditure		(4,946)	(5,770)
Finance income	2.3	4,815	2,729
Net cash used in investing activities		(83,585)	(79,913)
Cash flows from financing activities			
Dividend paid – non-controlling interest in SGM	2.4	(76,391)	(111,629)
Dividend paid – owners of the parent		(144,567)	(184,389)
Net cash used in financing activities		(220,958)	(296,018)
Net decrease in cash and cash equivalents		(81,139)	(38,837)
Cash and cash equivalents at the beginning of the period		359,680	399,873
Effect of foreign exchange rate changes		4,086	(1,356)
Cash and cash equivalents at the end of the period	2.13	282,627	359,680

(1) Restated due to change in accounting policy, refer to note 1.2.1 for further information.

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 2018

1. Current reporting period amendments

1.1 Changes in critical judgments and estimates

The following are the updates and/or changes to critical accounting judgments and estimates that management has made in the year in applying the Group's accounting policies and that have the most significant effect on the amounts recognised and the disclosure of such amounts in the financial statements.

- During the year, the UK Financial Reporting Council ("FRC") conducted a review of our 2017 annual report. The FRC had two main areas of focus which have subsequently been addressed:
 - the accounting treatment of Sukari Gold Mining Company ("SGM") based on control; and
 - the treatment and disclosure of the EMRA ("Egyptian Mineral Resource Authority") profit share and its compliance with IFRS.

The following outcomes were determined from the review:

- it was agreed that management's judgment and assessment of control of SGM was correct and that disclosure was to be further enhanced to reflect this; and
- as control of SGM had been established, EMRA's interest in SGM should be accounted for as a non-controlling interest rather than an expense line on the income statement, disclosure has been changed to reflect this.

For further information, see note 1.1.1 below.

- During the year, production forecasts were reduced due to lower than forecast gold production. The reasons for this have already been addressed elsewhere in the annual report. The risk of not achieving production forecasts in the short term result in, among others:
 - significant impacts on the profitability of the Group;
 - the reduced return of profit to stakeholders; and
 - the subsequent devaluation of the share price consequently triggered the requirement of an impairment assessment of the Group assets to occur.

To address this risk, management are improving internal controls around grade reconciliations and production forecasts which directly impacts budgeting, forecasting and profitability of the Group.

For further information, see note 1.1.2 below.

1.1.1 Judgment: Control

1.1.1.1 Accounting treatment of Sukari Gold Mine ("SGM")

Pharaoh Gold Mines NL (holder of an Egyptian branch) ("PGM") and EMRA are 50:50 partners in SGM. The FRC questioned management's judgment of control and resulting full consolidation of SGM as a subsidiary within the Group's financial statements.

SGM is consolidated within the Group, reflecting the substance and economic reality of the Concession Agreement ("CA") (see note 4.1 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 considered which the Company directs, through PGM, in relation to the operation of the Sukari Gold Mine that most significantly affect the returns of SGM:

- the following activities are controlled by the Company, through PGM, by having the right to appoint or remove the managing Director of SGM under the terms of the CA:
 - the appointment of the General Manager ("GM") at SGM;
 - the GM makes all the day-to-day decisions to allow the mine to operate which involve:
 - preparing SGM's work programmes through determination of the daily and longer term mine plans, the budgets covering the operations to be carried out throughout the life of the mine and approval of the same;
 - capital expenditure, procurement, cost control and treasury;
 - 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 within the mine during the production phase;
 - custody of SGM's stock and management of its funds;
 - selling and shipping of all gold and associated metals produced; and
 - entering into and managing gold sales or hedging contracts and forward sale agreements;
 - EMRA must, in terms of the CA, make the required approvals to allow the mine to operate;

- role and function of the board of SGM:
 - there are six board members:
 - three of which are appointed by the Company, through PGM; and
 - three of which are appointed by EMRA;
 - the executive chairman, as one of the three EMRA appointed board members, is a representative of EMRA and is appointed by the Egyptian Ministry of Finance;
 - it convenes twice a year to:
 - facilitate a forum for sharing information between the owners of SGM;
 - provide a mechanism to scrutinise the timing and amounts of expenses; rather than as a decision-making body over SGM's most significant relevant activities;
 - consider and approve the budget, annual accounts of SGM, review and approve the cost recovery position and other compliance matters; and
 - is not allowed to unreasonably withhold approval;
 - resolving a deadlock position:
 - disputed matters are resolved through open discussion at board level;
 - the executive chairman does not have a veto or casting vote;
 - where matters cannot be agreed upon, an ad-hoc committee is appointed with each party having equal representation. This committee will then recommend an appropriate course of action to the board with the best interest of all shareholders in mind; and
 - should the board still not agree on a course of action, there is a provision for arbitration and ultimately matters can be presented to the International Court of Arbitration at The Hague;
 - the board of SGM cannot appoint or remove the GM, this right belongs solely to the Company, through PGM, in terms of the CA;
- EMRA and/or the Egyptian government have no downside risk in their share of SGM. If SGM were to become loss making or insolvent, these costs are absorbed in its entirety by the Company, through PGM, in accordance with the CA.

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 of control to consolidate SGM's results within the Group to reflect the substance and economic reality of the CA.

As the Company, through PGM, is determined to be the controlling party, it should consolidate its subsidiary, SGM, and should apply consolidation procedures, combining balance sheet and profit and loss items line by line as well as applying the rest of the consolidation procedures set out in IFRS 10 App B para B86. The Group therefore prepares consolidated financial statements on this basis.

1.1.1.2 Treatment and disclosure of EMRA profit share

EMRA holds 50% of the shares in the Group subsidiary, SGM, which are not attributable to the Company, and it is entitled to receive net proceeds from the operations of SGM on a residual basis in accordance with their specified shareholding per the CA (this distribution is in accordance with the profit share mechanism and not as a consequence of accumulated profits as defined by accounting standards). Therefore, the Group recognises a non-controlling interest in SGM ("NCI") to represent EMRA's participation.

In terms of the CA, the NCI's rights to any profit share payments (dividend distributions) is only triggered after the cost recovery of all amounts invested (or spent during operations) during the exploration, construction and development stages have been repaid to PGM. The profit share mechanism was only triggered in November 2016 (after all amounts due to be cost recovered were complete). Until that time the NCI had no rights to claim any distribution of accumulated profits or profit share.

It is important to note that the availability of cash in SGM for distribution to its shareholders as profit share is under the control of the Company, through PGM, by the decisions made on SGM's strategic direction and day-to-day operational requirements of running the mine. This is regarded as discretionary and exposes the Company to variable returns.

Distributions to shareholders in SGM:

- once all expenditure requirements have been met, excess cash reserves, if any, are distributed to both SGM shareholders:
 - distributions are always made simultaneously to both shareholders;
 - the split of the distribution is in accordance with the ratchet mechanism (i.e. the standard profit share ratios of 60/40 (first two years), 55/45 (second two years) and 50/50 to PGM and EMRA respectively through time) as governed by the CA; but:
 - distributions are not mandatory, entirely discretionary and there are only distributions if there are excess funds;
 - distributions are paid in advance on a weekly or fortnightly basis by mutual agreement between shareholders;
- at end of the SGM reporting period, final profits are determined, externally audited and then approved by the board of SGM:
 - final profit distributions become payable within 60 days of the financial year end, SGM is unable to avoid payment at this point and the amount payable is recorded as equity attributable to the NCI until paid;
- the CA is merely a shareholder agreement specifying how and when profits from SGM will be distributed to shareholders and is typical of a minority shareholder protection mechanism.

Notes to the consolidated financial statements continued

for the year ended 31 December 2018

1. Current reporting period amendments continued

1.1 Changes in critical judgments and estimates continued

1.1.1 Judgment: Control continued

1.1.1.2 Treatment and disclosure of EMRA profit share continued

The Group should attribute the profit or loss for the year after tax and each component of other comprehensive income for the year to the owners of the parent and to the NCI in SGM. The entity shall also attribute total comprehensive income for the year to the owners of the parent and to NCI even if this results in the NCI having a deficit balance (IFRS 10 App B para B94). The CA only contemplates the distribution of profit to shareholders. The NCI would only have a deficit balance where advance distributions paid during the year have exceeded final distributions payable after year-end accounts have been prepared and audited. This deficit would be entirely funded by the Company, through PGM, and would first be redeemed from future excess cash before regular distributions to both parties resume. SGM has no claw back provision for advance profits paid to the NCI. We note that annual dividend payments, after approval of audited financial statements, is a standard feature of transactions with an NCI and that such payments are not normally treated as non-discretionary payments triggering a liability in the consolidated statement of financial position of the parent.

Any losses generated by SGM will be entirely funded by the Company, through PGM, but attributed to both shareholders. These losses will first be recovered before further profit share distributions commence.

In the Group statement of financial position, all the accumulated profits of SGM are attributable to the Company as EMRA have already received their share through the advance profit distribution payments made, therefore NCI is usually disclosed in the financial statements as nil unless there is an outstanding distribution payable to or deficit from EMRA due to timing differences of the cash sweep. Please refer to note 2.4 for further information.

The FRC questioned the prior presentation of the EMRA profit share below the subtotal of 'Profit for the year after tax' as to whether it complied with IAS 1 and queried the potential inconsistency of this presentation with the measurement of the EMRA profit share payment as a financial instrument.

Having carefully considered the FRC's query and having discussed this directly with our auditors and the FRC, it was agreed that the disclosure would be amended to better reflect the nature of the arrangement. The impact has been as follows:

In the statement of comprehensive income:

- the 'EMRA profit share' and 'Profit for the year after EMRA profit share' line items have been removed;
- a new financial statement line item 'Non-controlling interest in SGM' has been added to the 'Profit for the year after tax attributable to' section, this represents EMRA's profit share interest in SGM; and
- earnings per share ("EPS"), as always, has been calculated on profit attributable to owners of the parent (i.e. shareholders of the Company).

	Note	31 December 2018 US\$'000	Restated ⁽¹⁾ 31 December 2017 US\$'000
Profit for the year after tax		152,649	205,302
Profit for the year after tax attributable to:			
– the owners of the parent		74,845	96,355
– non-controlling interest in SGM	2.4	77,804	108,946
Total comprehensive income for the year		152,524	205,211
Total comprehensive income for the year attributable to:			
– the owners of the parent		74,720	96,265
– non-controlling interest in SGM	2.4	77,804	108,946

(1) Restated due to change in presentation, refer to note 1.1.1 for further information.

In the statement of financial position:

- the EMRA accrual within 'Trade and other payables' has been removed. This related to their remaining interest after profit share payments in the equity of the Sukari Gold Mining Company and is now reflected at the bottom of the statement as non-controlling interest in SGM; and
- a new financial statement line item 'Non-controlling interest in SGM' has been added to the 'Total equity attributable to' section at the base of the statement and represents EMRA's profit share interest in SGM.

	Note	31 December 2018 US\$'000	Restated ⁽¹⁾ 31 December 2017 US\$'000	Restated ⁽¹⁾ 1 January 2017 US\$'000
Total equity attributable to:				
– owners of the parent		1,287,087	1,353,712	1,439,301
– non-controlling interest in SGM	2.4	(270)	(1,683)	1,000
Total equity		1,286,817	1,352,029	1,440,301

(1) Restated due to change in presentation, refer to note 1.1.1 for further information.

In the statement of changes in equity:

- the statement has been split into two sections:
 - the section attributable to the owners of the parent; and
 - the section attributable to the non-controlling interest in SGM called 'Non-controlling interests'.
- the line 'EMRA profit share' has been removed and 'Profit for the year after tax' has been allocated between 'Owners of the parent' and 'Non-controlling interest in SGM' in accordance with the segmented reporting and EMRA's interest in SGM; and
- as EMRA's interest in SGM is now disclosed as a non-controlling interest, the distributions to EMRA are considered to be equity rather than debt and as such a new financial statement line item 'Dividend paid – non-controlling interest in SGM' has been added which represents the profit share paid to EMRA during the year.

	Note	Accumulated profits US\$'000	Total US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
Profit for the year after tax		74,845	74,845	77,804	152,649
Other comprehensive income for the year		(125)	(125)	—	(125)
Total comprehensive income for the year		74,720	74,720	77,804	152,524
Dividend paid – non-controlling interest in SGM	2.4	—	—	(76,391)	(76,391)

FRC review: Scope and limitations

The FRC review was based on our 2017 annual report and accounts and did not benefit from a detailed knowledge of our business or an understanding of the underlying transactions entered into. It is, however, conducted by staff of the FRC who have an understanding of the relevant legal and accounting framework. The FRC supports the continuous improvement in the quality of corporate reporting and recognises that those with more detailed knowledge of our business, including our Audit and Risk Committee and auditors, may have recommendations for future improvement, consideration of which the FRC would encourage.

The letters received from the FRC during their review provide no assurance that our report and accounts are correct in all material respects; the FRC's role is not to verify the information provided but to consider compliance with reporting requirements. The letters received from the FRC during their review are written on the basis that the FRC (which includes the FRC's officers, employees and agents) accepts no liability for reliance on them by the Company or any third party, including but not limited to investors and shareholders.

Notes to the consolidated financial statements continued

for the year ended 31 December 2018

1. Current reporting period amendments continued

1.1 Changes in critical judgments and estimates continued

1.1.2 Impairment assessment of Group 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 concluded that a trigger occurred as a result of the production downgrade and the corresponding devaluation of the share price and were therefore required to perform a full impairment review under IAS 36. On review, no impairment was required and no further indicators have arisen after the reporting period.

In making its assessment as to the possibility of whether any impairment losses had arisen, management considered the following as part of its assessment of the recoverable amount:

- internal sources of information; and
- external sources of information.

1.1.2.1 Sukari Gold Mine

The revisions to production guidance at Sukari cash generating unit ("CGU") during 2018 significantly affected the Company share price and was considered a trigger for an impairment assessment of property, plant and equipment.

The assessment compared the recoverable amount of the Sukari gold mine CGU with its carrying value for the year ended 31 December 2018. The recoverable amount of the CGU is assessed by reference to the higher of value in use ("VIU"), being the net present value ("NPV") of future cash flows expected to be generated by the asset, and fair value less costs to dispose ("FVLCD"). The FVLCD is derived using discounted cash flow techniques (NPV of expected future cash flows of a CGU), which incorporate market participant assumptions. Cost to dispose is based on management's best estimates of future selling costs at the time of calculating FVLCD. Costs attributable to the disposal of the CGU are not considered significant. The expected future cash flows utilised in the FVLCD model are derived from estimates of projected future revenues, future cash costs of production and capital expenditures contained in the life of mine ("LOM") plan, and as a result FVLCD is considered to be higher than VIU. The Group's LOM plan reflects proven and probable reserves, assumes limited in-situ resource conversion, and is based on detailed research, analysis and modelling to optimise the internal rate of return.

The discount rate applied to calculate the present value is based upon the real weighted average cost of capital applicable to the CGU. The discount rate reflects equity risk premiums over the risk-free rate, the impact of the remaining economic life of the CGU and the risks associated with the relevant cash flows based on the country in which the CGU is located. These risk adjustments are based on observed equity risk premiums, historical country risk premiums and average credit default swap spreads for the period.

During the impairment assessment management applied the following key assumptions: long term gold price US\$1,300/oz, real discount rate of 5% and an in-situ resource multiple of US\$45/oz.

For purposes of testing for impairment of the Sukari CGU, we have assessed whether a reasonably possible change in any of the key assumptions used to estimate the recoverable value for the CGU would result in an impairment charge. Sensitivity calculations were performed for the CGU based on:

- a decrease in the gold price of US\$100 per ounce for 2019;
- a decrease in the in-situ resource multiple to US\$23/oz; and
- a reduction in 2019 production to 480,000 ounces.

In isolation, none of the changes set out above would result in an impairment. This sensitivity analysis also does not take into account any of management's mitigation factors should these changes occur.

1.1.2.2 Exploration and evaluation assets

In accordance with the requirements of IAS 36 'Impairment of assets' and IFRS 6 'Exploration for and evaluation of mineral resources', it was concluded that the devaluation of the share price of the Company was a trigger for an impairment assessment for the Company's exploration and evaluation assets.

The assessment compared the recoverable amount of the individual Exploration and Evaluation Asset Cash Generating Units ("E&E CGU") with their carrying value for the year ended 31 December 2018. The recoverable amount of the E&E CGUs is assessed by reference to the higher of VIU, being the NPV of future cash flows expected to be generated by the asset, and FVLCD. The FVLCD is derived using discounted cash flow techniques (NPV of expected future cash flows of a CGU), which incorporate market participant assumptions. Cost to dispose is based on management's best estimates of future selling costs at the time of calculating FVLCD. Costs attributable to the disposal of the E&E CGUs are not considered significant. The expected future cash flows utilised in the FVLCD model are derived from estimates of resource multiples multiplied by proven and probable reserves of the E&E CGUs and were considered to be higher than the VIU amount.

For purposes of testing for impairment of the E&E CGUs, we have assessed whether a reasonably possible change in any of the key assumptions used to estimate the recoverable value would result in an impairment charge. Sensitivity calculations were performed based on:

- a decrease in the in-situ resource multiple to US\$16/oz; and
- a reduction in reserves to 3.25 million ounces.

In isolation, none of the changes set out above would result in an impairment. This sensitivity analysis also does not take into account any of management's mitigation factors should these changes occur.

1.2 Changes in policies and estimates

The financial position and performance of the Group was particularly affected by the following events and transactions during the reporting period:

- the change in accounting policy regarding the treatment of costs related to exploration and evaluation of mineral resources under IFRS 6, which was made in the 2018 interim financial statements:
 - previously the policy applied was to capitalise all exploration expenditure without a distinction between greenfield and brownfield exploration expenditure;
 - this policy has been changed and retrospectively applied whereby:
 - all greenfield exploration costs will be expensed as incurred; whilst
 - brownfield exploration costs will continue to be capitalised.

For further information, see note 1.2.1 below.

- mining stockpiles inventory has been split between current and non-current assets based on the expected drawdown on the stockpile by the processing plant:
 - the volume of ore extracted in the year has far exceeded the capacity of the processing plant causing the stockpiles to increase significantly in size and value;
 - based on mining and processing forecasts these stockpiles will not be consumed within the next twelve months and as such a classification is required between current and non-current assets;
 - the cost versus net realisable value of the mining stockpiles were assessed, with the cost being determined as the lower of cost and net realisable value; and
 - in line with the updated mineral reserves estimate for Sukari at 30 June 2018, the mine cut-off grade for the surface stockpiles has been changed from 0.3 to 0.4 grams per tonne (g/t). Amounts under 0.4g/t have been expensed resulting in a US\$5.7 million charge.

For further information, see note 1.2.2 below.

- adoption of the following new and revised accounting standards:
 - IFRS 15 'Revenue from contracts with customers' has been applied since 1 January 2018 with no significant impact to the annual results; and
 - IFRS 9 'Financial instruments' has been applied since 1 January 2018 with no significant impact to the annual results.
- new standards, amendments and interpretations not yet adopted:
 - IFRS 16 'Leases' has been assessed by management, the impact of which has been disclosed.

For further information, see note 1.2.3 below.

1.2.1 Change in accounting policy – Exploration and evaluation asset

On 1 January 2006, the Group adopted IFRS 6 'Exploration for and evaluation of mineral resources' and as allowed under the standard, applied the policy of capitalising all exploration expenditure (both greenfield and brownfield exploration and evaluation expenditure).

The greenfield and brownfield terms are generally used in the minerals sector and have been adopted to differentiate high risk remote exploration activity from near-mine exploration activity:

- greenfield exploration refers to territory, where mineral deposits are not already developed and has the goal of establishing a new mine requiring new infrastructure, regardless of it being in an established mining field or in a remote location. Greenfield exploration projects can be subdivided into grassroots and advanced projects embracing prospecting, geoscientific surveys, drilling, sample collection and testing, but excludes work of brownfields nature, pit and shaft sinking and bulk sampling; and
- brownfield exploration, also known as near-mine exploration, refers to areas where mineral deposits were previously developed. In brownfield exploration, geologists look for deposits near or adjacent to an already operating mine with the objective of extending its operating life and taking advantage of the established infrastructure.

Having reassessed the accounting policies and to make the financial statements more relevant to its users and more consistent with industry peers, it has been determined that the accounting policy for greenfield exploration and evaluation assets be retrospectively changed to expense rather than capitalise these costs until a decision is made to pursue a commercially viable project. The rationale for this change is that; due to the early stage of the projects there is a greater risk that the projects will ultimately not become viable and hence increased risk that economic benefits will ultimately not flow to the Group.

Brownfield exploration costs will continue to be capitalised to the statement of financial position.

In accordance with IAS 8 'Accounting policies, changes in accounting estimates and errors' this revised accounting policy has to be applied retrospectively.

Notes to the consolidated financial statements continued

for the year ended 31 December 2018

1. Current reporting period amendments continued

1.2 Changes in policies and estimates continued

1.2.1 Change in accounting policy – Exploration and evaluation asset continued

The following table summarises the adjustments made to the statement of financial position on implementation of the change in accounting policy:

	Exploration and evaluation asset US\$'000	Accumulated profits US\$'000
Balance at 1 January 2017 as previously reported	153,918	857,999
Impact of change in accounting policy	(88,218)	(88,218)
Restated balance at 1 January 2017	65,700	769,781

	Exploration and evaluation asset US\$'000	Accumulated profits US\$'000
Balance at 31 December 2017 as previously reported	168,832	783,921
Impact of change in accounting policy at 1 January 2017	(88,218)	(88,218)
Impact of change in accounting policy during 2017	(16,729)	(16,729)
Restated balance at 31 December 2017	63,885	678,974

The effects on the statement of comprehensive income and earnings per share were as follows:

	Note	31 December 2018 US\$'000	Restated 31 December 2017 US\$'000
Increase in exploration and evaluation costs		(21,006)	(20,286)
Decrease in impairment of exploration and evaluation assets		—	3,557
Decrease in profit for the period before tax		(21,006)	(16,729)
Earnings per share attributable to owners of the parent as previously reported:			
Basic (cents per share)		8.321	9.832
Diluted (cents per share)		8.252	9.755
Restated earnings per share attributable to owners of the parent:			
Basic (cents per share)	6.3	6.497	8.377
Diluted (cents per share)	6.3	6.444	8.312

Therefore, the restated note to the annual financial statements is as follows:

Exploration and evaluation asset

	31 December 2018 US\$'000	Restated 31 December 2017 US\$'000
Balance at the beginning of the year	63,885	65,700
Expenditure for the period	13,635	10,610
Pre-production gold sales net of costs related to Cleopatra	(8,688)	(4,841)
Transfer to property, plant and equipment	(9,678)	(7,584)
Balance at the end of the year	59,154	63,885

The exploration and evaluation asset relates to the drilling, geological exploration and sampling of potential ore reserves and can be attributed to Egypt (US\$24.0 million) and Burkina Faso (US\$35.2 million relating to the acquisition of Ampella Mining Limited).

In accordance with the requirements of IAS 36 'Impairment of assets' and IFRS 6 'Exploration for and evaluation of mineral resources' it was concluded that the production downgrade and corresponding devaluation of the share price of the Company was an impairment indicator for the exploration and evaluation assets. An impairment review has subsequently been performed, refer to note 1.1.2 of the financial statements for further information, however no impairment resulted from the review. As no impairment indicators were identified in 2017 an impairment review was not performed in that period.

The new accounting policy is as follows:

ACCOUNTING POLICY: EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE

Exploration and evaluation expenditures in relation to each separate area of interest are differentiated between greenfield and brownfield exploration activities in the year in which they are incurred.

The greenfield and brownfield terms are generally used in the minerals sector and have been adopted to differentiate high risk remote exploration activity from near-mine exploration activity:

- (a) greenfield exploration refers to territory, where mineral deposits are not already developed and has the goal of establishing a new mine requiring new infrastructure, regardless of it being in an established mining field or in a remote location. Greenfield exploration projects can be subdivided into grassroots and advanced projects embracing prospecting, geoscientific surveys, drilling, sample collection and testing, but excludes work of brownfields nature, pit and shaft sinking and bulk sampling; and
- (b) brownfield exploration, also known as near-mine exploration, refers to areas where mineral deposits were previously developed. In brownfield exploration, geologists look for deposits near or adjacent to an already operating mine with the objective of extending its operating life and taking advantage of the established infrastructure.

Greenfield exploration costs will be expensed as incurred and will not be capitalised to the balance sheet until a decision is made to pursue a commercially viable project. Brownfield exploration costs will continue to be capitalised to the statement of financial position.

Brownfield 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 based on the commercial and technical feasibility, 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.

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 in note 2.2. The commencement date of commercial production is determined when stable and sustained production capacity has been achieved.

Notes to the consolidated financial statements continued

for the year ended 31 December 2018

1. Current reporting period amendments continued

1.2 Changes in policies and estimates continued

1.2.2 Change in accounting estimates: Mining stockpiles

The treatment and classification of mining stockpiles within inventory has changed during the year of assessment resulting in the disclosure being split between current and non-current assets. Stockpiles which will not be consumed within the next twelve months based on mining and processing forecasts have been reclassified to non-current assets. The reason for the change is the manner in which the mining stockpiles will be utilised or drawn upon in the future within the life of mine, with priority being placed on the higher grade ore. The volume of ore extracted from the open pit in the year far exceeded the volume that could be processed, which has caused a large increase in the volume and value of the mining stockpiles.

The carrying value of the non-current asset portion is assessed at the lower of cost or net realisable value. The cost of the mining stockpiles was assessed through comparing the current costs and discounting the future processing costs at a US\$ applicable rate of 3.02% over the expected life of the asset to the future expected selling price. The net present value was the higher of the two and as such it is valued at cost.

In line with the updated mineral reserves estimate for Sukari at 30 June 2018, the mine cut-off grade for the surface stockpiles has been changed from 0.3 to 0.4 grams per tonne (g/t). Amounts under 0.4g/t have been expensed which resulted in a US\$5.7 million charge.

Therefore, the note to the annual financial statements are as follows:

Inventories – mining stockpiles

	31 December 2018 US\$'000	31 December 2017 US\$'000
Non-current		
Mining stockpiles	32,424	—
	32,424	—
	31 December 2018 US\$'000	31 December 2017 US\$'000
Current		
Mining stockpiles and ore in circuit	30,601	31,728
Stores inventory	70,281	78,618
Provision for obsolete stores inventory	(3,332)	(5,136)
	97,550	105,210

ACCOUNTING POLICY: INVENTORIES

Inventories include mining stockpiles, gold in process, doré supplies and stores and materials, and are stated at the lower of cost and net realisable value. The cost of mining stockpiles and gold produced is determined principally by the weighted average cost method using related production costs.

Cost of mining stockpiles include costs incurred up to the point of stockpiling, such as mining and grade control costs, but exclude future costs of production. Ore extracted is allocated to stockpiles based on estimated grade, with grades below defined cut-off levels treated as waste and expensed. While held in physically separate stockpiles, the Group blends the ore from each stockpile when feeding the processing plant to achieve the resultant gold content. In such circumstances, lower and higher grade ore stockpiles each represent a raw material, used in conjunction with each other, to deliver overall gold production, as supported by the relevant feed plan.

The processing of ore in stockpiles occurs in accordance with the life of mine ("LOM") processing plan and is currently being optimised based on the known mineral reserves, current plant capacity and mine design. Ore tonnes contained in the stockpiles which exceed the annual tonnes to be milled as per the mine plan in the following year, are classified as non-current in the statement of financial position. Currently at Sukari, low grade low (0.4 to 0.5g/t) open pit stockpile material above the cut-off grade of 0.4g/t has been reclassified to non-current assets as these ore tonnes are not planned to be processed within the next twelve months.

The net realisable value of mining stockpiles is determined with reference to estimated contained gold and market gold prices applicable. Mining stockpiles which are blended together with future ore mined when fed to the plant are assessed as an input to the gold production process to ensure the combined stockpiles are carried at the lower of cost and net realisable value. Mining stockpiles which are not blended in production are assessed separately to ensure they are carried at the lower of cost and net realisable value, although no such stockpiles are currently held.

ACCOUNTING POLICY: INVENTORIES CONTINUED

Costs of gold inventories include all costs incurred up until production of an ounce of gold such as milling costs, mining costs and directly attributable mine general and administration costs but exclude transport costs, refining costs and royalties. Net realisable value is determined with reference to estimated contained gold and market gold prices.

Stores and materials consist of consumable stores and are valued at weighted average cost after appropriate impairment of redundant and slow moving items. Consumable stock for which the Group has substantially all the risks and rewards of ownership are brought onto the statement of financial position as current assets.

For a detailed discussion about the Group's performance and financial position, please refer to the financial review.

1.2.3 Adoption of new and revised accounting policies

Standards not affecting the reported results or the financial position

In the current year, the following new and revised standards and interpretations that have been adopted have not had a material impact on the amounts reported in these financial statements.

IFRS 15 'Revenue from contracts with customers'

This standard replaced 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 assessed the impact of IFRS 15 and determined that its application will result in no changes in its revenue recognition. The Group only has a single short term performance obligation and the majority of gold sales are not subject to pricing adjustments, therefore the new standard has no significant impact. The new standard was effective for annual periods beginning on or after 1 January 2018.

IFRS 9 'Financial instruments'

This standard addresses the financial reporting of financial assets and financial liabilities and replaced 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. IFRS 9 has had no material impact on current results as the Group 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 to not be material. The new standard was effective for annual periods beginning on or after 1 January 2018.

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. These standards have not been early adopted by the Group and the Group's assessment of the impact of these new standards and interpretations is set out below:

IFRS 16 'Leases'**Nature of change**

IFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet by lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low-value leases.

Impact

The Group has set up a project team which has reviewed all of the Group's leasing arrangements over the last year in light of the new lease accounting rules in IFRS 16. The standard will affect primarily the accounting for the Group's operating leases.

The team performed an impact assessment of IFRS 16 on the Group's contracts and financial statements. All active contracts were assessed under the requirements of IFRS 16 to determine whether they had arrangements that contained a lease. Under IAS 17 'Leases' and IFRIC 4 'Determining whether an arrangement contains a lease' contracts were initially assessed on the date of their inception to determine whether or not they should be accounted for under those standards. If, on initial assessment, they didn't meet the requirements of IAS 17 or IFRIC 4, but on reassessment do meet the requirements of IFRS 16, they have been excluded from this assessment by application of paragraph C3(b) of IFRS 16. Management have elected to apply the paragraph C3(b) and therefore paragraph C4 of IFRS 16 as a practical expedient to not apply this standard to all the Group's existing contracts.

Notes to the consolidated financial statements continued

for the year ended 31 December 2018

1. Current reporting period amendments continued

1.2 Changes in policies and estimates continued

1.2.3 Adoption of new and revised accounting policies continued

IFRS 16 'Leases' continued

Impact continued

As at the reporting date, the Group has non-cancellable operating lease commitments of US\$3.2 million, see note 5.2. Of these commitments, approximately US\$ 1.1 million relates to low value leases which will be recognised on a straight-line basis as an expense in profit or loss.

For the remaining lease commitments, the Group expects to recognise right-of-use assets of approximately US\$1.6 million on 1 January 2019, lease liabilities of US\$1.6 million (after adjustments for prepayments and accrued lease payments recognised as at 31 December 2018). Overall net assets will not change, and net current assets will be US\$0.3 million lower due to the presentation of a portion of the liability as a current liability.

The Group expects that net profit after tax will decrease by approximately US\$0.1 million for 2019 as a result of adopting the new rules. EBITDA used to measure segment results is expected to increase by approximately US\$0.5 million, as the operating lease payments were included in EBITDA, but the amortisation of the right-of-use assets and interest on the lease liability are excluded from this measure.

Operating cash flows will increase and financing cash flows decrease by approximately US\$0.3 million as repayment of the principal portion of the lease liabilities will be classified as cash flows from financing activities.

The Group has immaterial activities as a lessor and hence the Group does not expect any significant impact on the financial statements.

Previous disclosures of operating lease commitments were limited to office premises in Jersey.

Mandatory application date and date of adoption by Group

The Group will apply the standard from its mandatory adoption date of 1 January 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

1.3 Other critical judgments and estimates in applying the entity's accounting policies

The following are the other critical judgments and estimates 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 estimates and associated disclosures with the Company's Audit and Risk Committee.

The changes to critical accounting judgments with additional focus in 2018 are disclosed in note 1.1 above. The other critical accounting judgments are as follows:

1.3.1 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 5.1 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 significant 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 5.1 to the financial statements. 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.

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

The changes to critical accounting estimates and assumptions are disclosed in note 1.2 above. The other critical estimates and assumptions are as follows:

1.3.2 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 and that it is uncertain if exploration will result in further targets being delineated as a mineral resource.

1.3.3 Mineral reserve and resource statement

The Group published a mineral reserve and resource statement for the Sukari Gold Mine on 25 February 2019 with an effective date of 30 June 2018. 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.

1.3.4 Recovery of capitalised exploration evaluation and development expenditure

The Group's accounting policy for exploration and evaluation expenditure results in brownfield exploration and evaluation expenditure being capitalised to the balance sheet 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 brownfield 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.

1.3.5 Going concern

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 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 twelve months from 1 March 2019. Key assumptions underpinning this forecast include:

- litigation as discussed in note 5.1 to the financial statements;
- forecast gold price;
- production volumes; and
- costs and recovery rates.

These financial statements for the year ended 31 December 2018 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 this financial statements.

1.3.6 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 realistic based on current information. Please refer to ore reserves, note 3.1.1(i).

Notes to the consolidated financial statements continued

for the year ended 31 December 2018

2. How numbers are calculated

2.1 Segment reporting

The Group is engaged in the business of exploration for 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 'Operating segments'. 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 separately 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 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.

Non-current assets other than financial instruments by country

	31 December 2018 US\$'000	Restated ⁽¹⁾ 31 December 2017 US\$'000
Egypt	891,131	878,508
Burkina Faso	35,959	36,094
Côte d'Ivoire	543	451
Corporate	20	27
	927,653	915,080

(1) Restated due to change in accounting policy, refer to note 1.2.1 for further information.

Statement of financial position by operating segment

31 December 2018	Total US\$'000	Egypt US\$'000	Burkina Faso US\$'000	Côte d'Ivoire US\$'000	Corporate US\$'000
Statement of financial position					
Total assets	1,347,969	1,032,284	36,876	909	277,900
Total liabilities	(61,152)	(57,843)	(477)	(85)	(2,747)
Net assets/total equity	1,286,817	974,441	36,399	824	275,153

Restated ⁽¹⁾ 31 December 2017	Total US\$'000	Egypt US\$'000	Burkina Faso US\$'000	Côte d'Ivoire US\$'000	Corporate US\$'000
Statement of financial position					
Total assets	1,424,355	1,028,927	37,621	888	356,919
Total liabilities	(72,326)	(68,655)	(787)	(307)	(2,577)
Net assets/total equity	1,352,029	960,272	36,834	581	354,342

(1) Restated due to change in accounting policy, refer to note 1.2.1 for further information.

Statement of comprehensive income by operating segment

31 December 2018	Total US\$'000	Egypt US\$'000	Burkina Faso US\$'000	Côte d'Ivoire US\$'000	Corporate US\$'000
Statement of comprehensive income					
Revenue	603,248	603,248	—	—	—
Cost of sales	(406,538)	(406,538)	—	—	—
Gross profit	196,710	196,710	—	—	—
Other income	49	49	—	—	—
Finance income	4,815	44	—	—	4,771
Other operating costs	(27,866)	(13,433)	(481)	(644)	(13,308)
Exploration and evaluation costs	(21,006)	—	(5,223)	(15,783)	—
Profit/(loss) for the year before tax	152,702	183,370	(5,704)	(16,427)	(8,537)
Tax	(53)	(53)	—	—	—
Profit/(loss) for the year after tax	152,649	183,317	(5,704)	(16,427)	(8,537)
Profit/(loss) for the year after tax attributable to:					
– the owners of the parent	74,845	105,513	(5,704)	(16,427)	(8,537)
– non-controlling interest in SGM	77,804	77,804	—	—	—
Restated ⁽¹⁾					
31 December 2017	Total US\$'000	Egypt US\$'000	Burkina Faso US\$'000	Côte d'Ivoire US\$'000	Corporate US\$'000
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
Finance income	2,729	41	—	—	2,688
Other operating costs	(36,927)	(25,483)	197	96	(11,737)
Exploration and evaluation costs	(20,286)	—	(6,433)	(13,853)	—
Profit/(loss) for the year before tax	207,365	235,750	(6,236)	(13,757)	(8,392)
Tax	(2,063)	(513)	—	—	(1,550)
Profit/(loss) for the year after tax	205,302	235,237	(6,236)	(13,757)	(9,942)
Profit/(loss) for the year after tax attributable to:					
– the owners of the parent	96,356	126,291	(6,236)	(13,757)	(9,942)
– non-controlling interest in SGM	108,946	108,946	—	—	—

(1) Restated due to change in accounting policy, refer to note 1.2.1 for further information.

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 2018 US\$'000	Restated ⁽¹⁾ 1 January to 31 December 2017 US\$'000
Burkina Faso	5,223	6,433
Côte d'Ivoire	15,783	13,853
Egypt (Sukari tenement including Cleopatra excluding pre-production gold sales adjustment)	13,635	10,610
Total exploration expenditure	34,641	30,896

(1) Restated due to change in accounting policy, refer to note 1.2.1 for further information.

ACCOUNTING POLICY: 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.

Notes to the consolidated financial statements continued

for the year ended 31 December 2018

2. How numbers are calculated continued

2.2 Revenue

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

	31 December 2018 US\$'000	31 December 2017 US\$'000
Gold sales (including pre-production gold sales related to Cleopatra)	613,727	680,513
Less: Pre-production gold sales related to Cleopatra – offset against exploration and evaluation asset	(11,523)	(6,170)
Gold sales (excluding pre-production gold sales related to Cleopatra)	602,204	674,343
Silver sales	1,044	1,167
	603,248	675,510

All gold and silver sales during the year were made to a single customer in North America, Asahi Refining Canada Ltd.

ACCOUNTING POLICY: REVENUE (UNDER IFRS 15)

Revenue is measured at the fair value of the consideration received or receivable for goods in the normal course of business.

Sale of goods

Revenue from the sale of mineral production is recognised when the Group has passed control 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.

The performance obligation is satisfied when the gold bars are packaged and delivered to the approved carrier with the appropriate required documentation at the gold room and the approved carrier accepts control of the shipment by signature. 98% of the payable gold and silver content of the refined gold bars will be priced and paid within one working day after receipt of the shipment at the refinery with the balance being priced and paid five working days after receipt. There are no significant judgments applied to the determination of revenue.

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.

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.

Transition from IAS 18 'Revenue'

The only changes to the new accounting policy under IFRS 15 compared with IAS 18 are:

- the performance obligation under IFRS 15 above; and
- control of the items sold under IFRS 15 compared to risk and rewards of ownership being transferred under IAS 18.

Other than that it is identical to the policy under IAS 18 applied to the comparative data.

2.3 Profit before tax

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

	31 December 2018 US\$'000	31 December 2017 US\$'000
Finance income		
Interest received	4,815	2,729
Expenses		
Cost of sales		
Mine production costs (including costs related to gold produced from Cleopatra)	(330,924)	(308,892)
Mine production costs related to gold produced from Cleopatra – offset against exploration and evaluation asset	2,834	1,329
Mine production costs	(328,090)	(307,563)
Movement in inventory	31,296	(2,490)
Depreciation and amortisation	(109,744)	(104,288)
	(406,538)	(414,341)
	31 December 2018 US\$'000	31 December 2017 US\$'000
Other operating costs		
Corporate compliance	(1,758)	(1,281)
Fees payable to the external auditor	(710)	(656)
Corporate consultants	(652)	(338)
Communications and IT	(328)	(188)
Salaries and wages	(7,316)	(6,202)
Travel, accommodation and entertainment	(819)	(731)
Office rents and lease payment	(148)	(166)
Other administration expenses	(482)	(193)
Insurances	(305)	(387)
Other taxes	(169)	(3)
Employee equity settled share-based payments	(3,222)	(2,535)
Corporate costs (sub-total)	(15,909)	(12,680)
Other provisions	58	(1,170)
Net movement on provision for stock obsolescence	1,353	(2,636)
Office related depreciation	(301)	(274)
Royalty – attributable to the ARE government	(18,396)	(20,404)
Foreign exchange gain, net	6,372	1,470
Finance charges	(142)	(341)
Loss on disposal of asset	(31)	(263)
Provision for restoration and rehabilitation – unwinding of discount	(870)	(629)
	(27,866)	(36,927)

Notes to the consolidated financial statements continued

for the year ended 31 December 2018

2. How numbers are calculated continued

2.3 Profit before tax continued

ACCOUNTING POLICY: OTHER INCOME AND FOREIGN CURRENCIES

Finance income

Finance 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. Finance 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.

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.

2.4 Non-controlling interest in SGM

EMRA is a 50% shareholder in SGM and 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 the Arab Republic of Egypt ("ARE") and recoverable costs'. However, in accordance with the terms of the CA, 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.

Earnings attributable to the non-controlling interest in SGM (i.e. EMRA) are pursuant to the provisions of the CA are recognised as profit attributable to the non-controlling interest in SGM in the attribution of profit section of the statement of comprehensive income of the Group. 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 2018 have not been signed off at the date of this report and are in the process of being audited.

Certain terms of the CA 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) Statement of comprehensive income and statement of financial position impact

	31 December 2018 US\$'000	Restated ⁽²⁾ 31 December 2017 US\$'000
Statement of comprehensive income		
Profit for the year after tax attributable to the non-controlling interest in SGM ⁽¹⁾	77,804	108,946
Statement of financial position		
Total equity attributable to non-controlling interest in SGM ⁽¹⁾ (opening)	(1,683)	1,000
Profit for the year after tax attributable to the non-controlling interest in SGM ⁽¹⁾	77,804	108,946
Dividend paid – non-controlling interest in SGM	(76,391)	(111,629)
Total equity attributable to non-controlling interest in SGM⁽¹⁾ (closing)	(270)	(1,683)

(1) Profit share commenced during the third quarter of 2016. The first two years was a 60:40 split of net production surplus to PGM and EMRA respectively. From 1 July 2018 this changed to a 55:45 split for the next two-year period until 30 June 2020, after which all net production surpluses will be split 50:50.

(2) Refer to note 1.1.1 for the change in treatment of amounts attributable to the non-controlling interest in SGM (previously EMRA profit share).

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 amount attributable to the non-controlling interest in SGM on the statement of financial position and statement of changes in equity.

(b) Cash flow statement impact

	31 December 2018 US\$'000	31 December 2017 US\$'000
Statement of cash flows		
Dividend paid – non-controlling interest in SGM ⁽¹⁾	(76,391)	(111,629)

(1) Profit share commenced during the third quarter of 2016. The first two years was a 60:40 split of net production surplus to PGM and EMRA respectively. From 1 July 2018 this changed to a 55:45 split for the next two-year period until 30 June 2020, after which all net production surpluses will be split 50:50.

EMRA and PGM benefit from advance distributions of profit share which are made on a weekly or fortnightly basis and proportionately in accordance with the terms of the CA. Future distributions will take into account ongoing cash flows, historical 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.

2.5 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, rental income on property and interest income on cash and cash equivalents.

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 2018 US\$'000	31 December 2017 US\$'000
Current tax		
Current tax expense in respect of the current year	(53)	(2,063)
Deferred tax	—	—
Total tax expense	(53)	(2,063)

Notes to the consolidated financial statements continued

for the year ended 31 December 2018

2. How numbers are calculated continued

2.5 Tax continued

Nature of tax funding arrangements and tax-sharing agreements continued

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

	31 December 2018 US\$'000	31 December 2017 US\$'000
Profit for the year before tax	152,702	224,094
Tax expense calculated at 0% (2017: 0%) ⁽¹⁾ of profit for the year 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	(53)	(2,063)
Tax	(53)	(2,063)

(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 (2017: 0%). There has been no change in the underlying corporate tax rates when compared with the previous financial period.

Tax recognised in the balance sheet is summarised as follows:

	31 December 2018 US\$'000	31 December 2017 US\$'000
Current tax liabilities	3	469
Non-current tax liabilities	155	23

ACCOUNTING POLICY: 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.

2.6 Trade and other receivables

	31 December 2018 US\$'000	31 December 2017 US\$'000
Non-current		
Other receivables – deposits	88	96
	88	96
Current		
Gold and silver sales debtors	28,234	31,007
Other receivables	5,209	3,460
	33,443	34,467

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, Asahi Refining Canada Ltd, and are neither past due nor impaired.

The average age of the receivables is nine days (2017: 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 Canada Ltd. 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, therefore no expected credit loss is recognised within this note, see note 3.1.1 for the risk assessment related to trade receivables.

2.7 Prepayments

	31 December 2018 US\$'000	31 December 2017 US\$'000
Current		
Prepayments	5,149	7,546
Fuel prepayments	1,547	2,247
	6,696	9,793

Notes to the consolidated financial statements continued

for the year ended 31 December 2018

2. How numbers are calculated continued

2.7 Prepayments continued

Diesel Fuel Oil ("DFO") dispute

As more fully described in note 5.1, 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 Egyptian government and for this reason has fully provided against the prepayment of US\$327.0 million to 31 December 2018, of which US\$49.7 million was provided for during 2018.

In order to allow a better understanding of the financial statements 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.

Movement in fuel prepayments

	31 December 2018 US\$'000	31 December 2017 US\$'000
Balance at the beginning of the year	2,247	877
Fuel prepayment recognised	49,711	42,869
Less: provision charged to:		
Mine production costs	(45,017)	(39,030)
Property, plant and equipment	(5,175)	(2,761)
Inventories	(219)	292
Balance at the end of the year	1,547	2,247

Cumulative fuel prepayment and provision recognised

	31 December 2018 US\$'000	31 December 2017 US\$'000
Fuel prepayment recognised	326,967	277,255
Less: provision charged to:		
Mine production costs	(302,047)	(257,030)
Property, plant and equipment	(22,055)	(16,880)
Inventories	(1,317)	(1,098)

This has resulted in a net charge of US\$49.5 million in the profit and loss for the year.

	31 December 2018			31 December 2017		
	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	(283,073)	(45,017)	(328,090)	(268,533)	(39,030)	(307,563)
Movement in inventory	35,821	(4,525)	31,296	341	(2,831)	(2,490)
Depreciation and amortisation	(109,744)	—	(109,744)	(104,288)	—	(104,288)
	(356,996)	(49,542)	(406,538)	(372,480)	(41,861)	(414,341)

2.8 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 2017	6,796	2,051	591,101	274,976	457,113	37,998	1,370,035
Additions	72	—	126	9,496	—	73,760	83,454
Increase in rehabilitation asset	—	—	—	—	1,854	—	1,854
Transfers from capital work in progress	440	296	13,080	25,476	48,984	(88,276)	—
Transfers from exploration and evaluation asset	—	—	—	—	9,678	—	9,678
Disposals	(1)	—	(149)	(160)	—	—	(310)
Balance at 31 December 2018	7,307	2,347	604,158	309,788	517,629	23,482	1,464,711
Accumulated depreciation							
Balance at 31 December 2017	(5,890)	(548)	(156,921)	(163,902)	(191,675)	—	(518,936)
Depreciation and amortisation	(495)	(147)	(28,252)	(41,361)	(39,792)	—	(110,047)
Disposals	1	—	98	160	—	—	259
Balance at 31 December 2018	(6,384)	(695)	(185,075)	(205,103)	(231,467)	—	(628,724)
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)
Net book value							
As at 31 December 2017	906	1,503	434,180	111,074	265,438	37,998	851,099
As at 31 December 2018	923	1,652	419,083	104,685	286,162	23,482	835,987

Notes to the consolidated financial statements continued

for the year ended 31 December 2018

2. How numbers are calculated continued

2.8 Property, plant and equipment continued

The production downgrade and corresponding devaluation of the share price of the Company has been considered and it was concluded that this was an impairment indicator. An impairment review has been performed in 2018, refer to note 1.1.2, however no impairment resulted from the review. As no impairment indicators were identified in 2017 an impairment review was not performed in that period.

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.

ACCOUNTING POLICY: 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, except for capital work in progress. 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. Depreciation on capital work in progress commences on commissioning of the asset and transfer to the relevant PPE category.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual financial period, with the effect of any changes recognised on a prospective basis.

Freehold land is not depreciated.

The following estimated useful lives are used in the calculation of depreciation:

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

The gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in other income or operating expenses.

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.

ACCOUNTING POLICY: PROPERTY, PLANT AND EQUIPMENT ("PPE") CONTINUED**Stripping activity assets**

The Group defers stripping costs incurred (removal of mine waste materials which provide improved access to further quantities of material that will be mined in future periods). 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' and IFRIC 20 'Stripping costs in the production phase of a surface mine' 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 2018, no stripping costs have been recognised or 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 they potentially generate largely independent cash inflows (cash generating units).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future flows have not been adjusted.

If the recoverable amount of a cash generating unit is estimated to be less than its carrying amount, the carrying amount of the cash generating unit is reduced to its recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the cash generating unit is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the cash generating unit in prior years.

A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of an impairment loss is treated as a revaluation increase.

2.9 Trade and other payables

	31 December 2018 US\$'000	31 December 2017 US\$'000
Trade payables	23,510	32,540
Other creditors and accruals	15,736	19,045
	39,246	51,585

Notes to the consolidated financial statements continued

for the year ended 31 December 2018

2. How numbers are calculated continued

2.9 Trade and other payables continued

Trade payables principally comprise the amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 21 days (2017: 29 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.

ACCOUNTING POLICY: 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.	

2.10 Provisions

	31 December 2018 US\$'000	31 December 2017 US\$'000
Current		
Employee benefits ⁽¹⁾	1,855	2,510
Fuel	—	2,000
Egypt health insurance ⁽²⁾	805	—
Other current provisions ⁽³⁾	5,495	4,801
	8,155	9,311
Non-current		
Restoration and rehabilitation ⁽⁴⁾	13,591	10,868
Other non-current provisions	157	93
	13,748	10,961
Movement in restoration and rehabilitation provision		
Balance at beginning of the year	10,868	7,697
Additional provision recognised	1,854	2,542
Interest expense – unwinding of discount	869	629
Balance at end of the year	13,591	10,868

(1) Employee benefits relate to annual, sick and long service leave entitlements and bonuses.

(2) Egypt health insurance relates to Law no. 2 of the 2018 Comprehensive Health Insurance Law that requires 0.25% of revenues and an additional 4% of social insurance contributions to be paid by the Egyptian company effective from 1 July 2018.

(3) Provision held for in-country disputes including customs, rebates and withholding taxes.

(4) 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 decommission infrastructure, restore affected areas by ripping and grading of compacted surfaces to blend with the surroundings, closure of project components to ensure stability and safety at the Group's sites. This has all been discounted by 3.02% (2017: 8.01%) and inflation applied at 2.49% (2017: 6.51%). As part of the annual review of the rehabilitation provision, management have amended the discount and inflation rates used in the calculation of the provision from a blended rate to a US\$ applicable rate. The reason for the change is the liability is expected to be settled in US\$ and therefore the discount and inflation rates should align with that expectation. The impact of this change in discount rate and inflation is not material, accordingly it has been recorded in the current year rather than as a prior year restatement. This restoration and rehabilitation estimate has been made on the basis of benchmark assessments of restoration works required following mine closure and after taking into account the projected area to be disturbed to date. The annual review undertaken as at 31 December 2018 after amending the discount and inflation rates to a US\$ applicable rate has resulted in a US\$1.9 million increase in the provision.

ACCOUNTING POLICY: 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.

2.11 Issued capital

	31 December 2018		31 December 2017	
	Number	US\$'000	Number	US\$'000
Fully paid ordinary shares				
Balance at beginning of the period	1,152,107,984	668,732	1,152,107,984	667,472
Employee share option scheme – proceeds from shares issued	2,615,000	1,406	—	—
Transfer from share option reserve	—	451	—	1,260
Balance at end of the period	1,154,722,984	670,589	1,152,107,984	668,732

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

At 31 December 2018, the trustee of the deferred bonus share plan held 606,383 ordinary shares (2017: 939,716 ordinary shares) pursuant to the plan rules.

Fully paid ordinary shares carry one vote per share and carry the right to dividends. See note 6.2 for more details of the share options.

ACCOUNTING POLICY: 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.

2.12 Share option reserve

	31 December 2018	31 December 2017
	US\$'000	US\$'000
Share option reserve		
Balance at beginning of the period	4,323	3,048
Share-based payments expense	3,520	3,156
Transfer to accumulated profits	(298)	(621)
Transfer to issued capital	(1,857)	(1,260)
Balance at the end of the period	5,688	4,323

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.

Notes to the consolidated financial statements continued

for the year ended 31 December 2018

2. How numbers are calculated continued

2.13 Cash flow information

(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 2018 US\$'000	31 December 2017 US\$'000
Cash and cash equivalents	282,627	359,680

ACCOUNTING POLICY: 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.

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

	31 December 2018 US\$'000	Restated ⁽¹⁾ 31 December 2017 US\$'000
Profit for the year before tax	152,702	207,365
Adjusted for:		
Depreciation/amortisation of property, plant and equipment	110,047	104,562
Inventory written off	451	198
Inventory obsolescence provision	(1,804)	2,636
Foreign exchange (gain)	(6,373)	(1,470)
Share-based payments expense	3,222	2,535
Finance income	(4,815)	(2,729)
Loss on disposal of property, plant and equipment	31	263
Changes in working capital during the period:		
Decrease/(increase) in trade and other receivables	1,023	(9,596)
(Increase)/decrease in inventories	(22,959)	20,736
Decrease/(increase) in prepayments	3,105	(2,005)
(Decrease)/increase in trade and other payables	(12,340)	7,592
Increase in provisions	1,501	8,577
Cash flows generated from operating activities	223,791	338,664

(1) Restated due to change in accounting policy, refer to note 1.2.1 for further information.

(c) Non-cash financing and investing activities

During the year there have been no non-cash financing and investing activities.

3. Group financial risk and capital management

3.1 Group financial risk management

3.1.1 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 2.11 and 2.12. 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 2018 US\$'000	31 December 2017 US\$'000
Financial assets		
Cash and cash equivalents	282,627	359,680
Trade and other receivables	33,443	33,745
Financial assets at fair value through other comprehensive income	—	125
	316,070	393,550
Financial liabilities		
Trade and other payables	39,246	51,585

(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 2018 US\$'000	31 December 2017 US\$'000	31 December 2018 US\$'000	31 December 2017 US\$'000	31 December 2018 US\$'000	31 December 2017 US\$'000
Financial assets						
Cash and cash equivalents	1,631	193	1,379	1,493	1,344	488
Financial assets at fair value through other comprehensive income	—	110	—	15	—	—
	1,631	303	1,379	1,508	1,344	488
Financial liabilities						
Trade and other payables	(833)	79	9,699	4,569	5,453	2,259
	(833)	79	9,699	4,569	5,453	2,259
Net exposure	2,464	224	(8,320)	(3,061)	(4,109)	(1,771)

Notes to the consolidated financial statements continued

for the year ended 31 December 2018

3. Group financial risk and capital management continued

3.1 Group financial risk management continued

3.1.1 Financial instruments continued

(c) Market risk continued

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 2018 US\$'000	31 December 2017 US\$'000	31 December 2018 US\$'000	31 December 2017 US\$'000
US\$/GBP increase by 10%	223	(18)	—	(10)
US\$/GBP decrease by 10%	(223)	18	—	10
US\$/AUD increase by 10%	(756)	(136)	—	(2)
US\$/AUD decrease by 10%	756	136	—	2
US\$/EGP increase by 10%	(374)	(44)	—	—
US\$/EGP decrease by 10%	374	44	—	—

The Group's sensitivity to foreign currency has increased at the end of the current period mainly due to an increase in GBP and EGP foreign currency cash holdings offset by a decrease in AUD foreign currency cash holdings as well as an increase in AUD and EGP trade payables offset by a decrease in GBP trade payables. There is also a corresponding decrease in US dollar cash holdings and trade payables.

The amounts shown above are the main currencies which the Group is exposed to. Centamin also has small deposits in euro (US\$404,141) and West African franc (US\$245,182), and net payables of US\$2,355,781 in euro and US\$759,014 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% US\$/oz	31 December 2018 US\$/oz	Increase by 10% US\$/oz
Average realised gold price	1,140	1,267	1,394
	US\$'000	US\$'000	US\$'000
Profit after tax	103,130	152,649	222,159

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% US\$/litre	31 December 2018 US\$/litre	Increase by 10% US\$/litre
Fuel price	0.55	0.61	0.67
	US\$'000	US\$'000	US\$'000
Profit after tax	161,708	152,649	143,588

(e) Interest rate risk and liquidity 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 the balance sheet date were as per the table below.

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 this note above 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.

	Weighted average effective interest rate %	Less than one month US\$'000	One to twelve months US\$'000	Total US\$'000
31 December 2018				
Financial assets				
Variable interest rate instruments	2.13	25,654	248,296	273,950
Non-interest bearing	—	41,421	—	41,421
		67,075	248,296	315,371
Financial liabilities				
Non-interest bearing	—	39,220	—	39,220
		39,220	—	39,220
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

(f) 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 a good credit check on its customer and none of the trade receivables from the customer has been past due. Also, the cash balances held in all currencies are held with financial institutions 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.

(g) 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.

Notes to the consolidated financial statements continued

for the year ended 31 December 2018

3. Group financial risk and capital management continued

3.1 Group financial risk management continued

3.1.1 Financial instruments continued

(h) 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).

	2018			
	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
Financial assets at fair value through other comprehensive income	—	—	—	—

	2017			
	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
Financial assets at fair value through other comprehensive income	125	—	—	125

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

(i) Ore reserves

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 1.1.3 above 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% US\$'000	31 December 2018 US\$'000	Increase by 10% US\$'000
Amortisation of rehabilitation asset (within mine development properties)	828	747	678
Amortisation of mine development properties (remainder)	42,176	39,045	36,496
Mine development properties – net book value	282,950	286,162	288,780
Property, plant and equipment – net book value	832,775	835,987	838,605

ACCOUNTING POLICY: 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.

ACCOUNTING POLICY: FINANCIAL INSTRUMENTS CONTINUED**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.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest rate method less impairment. Interest is recognised by applying the effective interest rate except for short term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of financial assets at fair value through other comprehensive income 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 fair value through other comprehensive income ("FVOCI") 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.

Notes to the consolidated financial statements continued

for the year ended 31 December 2018

3. Group financial risk and capital management continued

3.2 Capital management

3.2.1 Risk management

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders; and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to owners of the parent, return capital to owners of the parent or issue new shares.

3.2.2 Dividends to owners of the parent

	31 December 2018 US\$'000	31 December 2017 US\$'000
Ordinary shares		
Final dividend for the year ended 31 December 2017 of 10 US cents per share (2016: 13.5 US cents per share)	115,629	155,437
Interim dividend for the year ended 31 December 2018 of 2.5 US cents per share (2017: 2.5 US cents per share)	28,938	28,952
Total dividends provided for or paid	144,567	184,389
Dividends to owners of the parent:		
Paid in cash	144,567	184,389

4. Group structure

4.1 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 2018 %	31 December 2017 %
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
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 (in liquidation due to Group rationalisation)	Australia ⁽²⁾	100	100
Ampella Mining Gold Pty Limited (in liquidation due to Group rationalisation)	Australia ⁽²⁾	100	100
West African Gold Reserve Pty Limited (in liquidation due to Group rationalisation)	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: Suite 8, 7 The Esplanade, 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-Horreyia 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 ("ARE") granting PGM and EMRA the right to explore, develop, mine and sell gold and associated minerals in specific concession areas located in the Eastern Desert of Egypt. The Concession Agreement came into effect under Egyptian law on 13 June 1995.

In 2005 PGM, together with EMRA, were granted an exploitation lease over 160km² surrounding the Sukari 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 are recognised as dividend paid to the non-controlling interest in SGM.

Notes to the consolidated financial statements continued

for the year ended 31 December 2018

4. Group structure continued

4.1 Subsidiaries continued

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 have 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.

4.2 Joint arrangements

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

Name of joint operation	Percentage interest	
	31 December 2018 %	31 December 2017 %
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 this joint operation.

ACCOUNTING POLICY: 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 1.1.1).

4.3 Financial assets at fair value through other comprehensive income

	31 December 2018 US\$'000	31 December 2017 US\$'000
Balance at the beginning of the period	125	130
Gain on foreign exchange movement	—	86
Loss on fair value of investment – other comprehensive income	(125)	(91)
Balance at the end of the period	—	125

The financial assets at fair value through other comprehensive income at period end relates to a 4.45% (2017: 5.33%) equity interest in Nyota Minerals Limited, a former listed public company which delisted in September 2017, as well as a 0.17% (2017: 0.29%) equity interest in KEFI Minerals plc ("KEFI"), an AIM listed company.

Management made the decision to sell its interests in Nyota Minerals Limited and Kefi Minerals plc and the financial asset is classed as a current asset.

ACCOUNTING POLICY: FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")

Listed shares and listed redeemable notes held by the Group that are traded in an active market are classified as being FVOCI and are stated at fair value. Fair value is determined in the manner described in note 3.1.1. 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 FVOCI equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

The fair value of FVOCI 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.

Notes to the consolidated financial statements continued

for the year ended 31 December 2018

5. Unrecognised items

5.1 Contingent liabilities and contingent assets

Contingent liabilities

Fuel supply

As set out in note 2.7, 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 Egyptian General Petroleum Corporation ("EGPC"). It is further understood that EGPC itself issued this instruction because it had received legal advice from the Legal Advice Department of the Council of State (an internal government advisory department) that 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\$22.5 million at current exchange rates).

The Group has taken detailed legal advice on this matter (and, in particular, on the opinion given by the Legal Advice Department of the Council of State) and in June 2012 lodged an appeal against EGPC's decision in the Administrative Courts. 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\$327.0 million. Refer to note 2.7 of these financial statements for further details on the impact of this provision on the Group's results for 31 December 2018.

No provision has been made in respect of the historical 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.

Other contingent assets

There were no other contingent assets at year end (31 December 2017: nil).

5.2 Commitments

The following is a summary of the Company's outstanding commitments as at 31 December 2018:

Operating lease commitments

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

	31 December 2018 US\$'000	31 December 2017 US\$'000
No longer than one year	1,068	1,058
Longer than one year and not longer than five years	1,673	1,656
Longer than five years	428	1,472
	3,169	4,185

ACCOUNTING POLICY: 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.

IFRS 16 will be applied from 1 January 2019.

Notes to the consolidated financial statements continued

for the year ended 31 December 2018

5. Unrecognised items continued

5.3 Dividends per share

The dividends paid in 2018 were US\$144,567,233 and are reflected in the consolidated statement of changes in equity for the period (2017: US\$184,388,830).

A final dividend in respect of the year ended 31 December 2018 of 3.0 US cents per share, totalling approximately US\$34.6 million has been proposed by the Board of Directors and is subject to shareholder approval at the annual general meeting on 8 April 2019. 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.

5.4 Subsequent events

As referred to in note 5.3, subsequent to the year end, the Board proposed a final dividend for 2018 of 3.0 US cents per share. Subject to shareholder approval at the annual general meeting on 8 April 2019, the final dividend will be paid on 13 May 2019 to shareholders on the record date of 23 April 2019.

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

6. Other information

6.1 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 4.1.

Equity interest in associates and jointly controlled arrangements

Details of interests in joint ventures are disclosed in note 4.2.

(b) 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 2018 US\$	31 December 2017 US\$
Short term employee benefits	5,731,721	6,919,135
Post-employment benefits	7,969	8,037
Share-based payments	2,398,039	2,174,475
	8,137,729	9,101,647

(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 2018 are as follows:

	Balance at 1 January 2018	Granted as remuneration ("DBSP")	Granted as remuneration ("PSP")	Net other change ⁽¹⁾	Balance at 31 December 2018
31 December 2018					
J El-Raghy ⁽²⁾	10,500,000	—	—	—	10,500,000
A Pardey	3,099,268	—	640,000	50,000	3,789,268
R Jerrard	1,295,000	—	510,000	—	1,805,000
G Haslam	102,056	—	—	25,000	127,056
M Arnesen	49,000	—	—	—	49,000
M Bankes	150,000	—	—	40,000	190,000
A Baker	—	—	—	—	—
I Fawzy	—	—	—	—	—
Y El-Raghy	678,753	—	130,000	(45,091)	763,662
M Morcombe	—	150,000	730,000	—	880,000
R Marshall	—	—	—	—	—
N Bailie	166,000	—	150,000	—	316,000
M Smith	702,667	—	230,000	(133,333)	799,334
A Carse	—	—	210,000	6,336	216,336
D Le Masurier	547,000	—	150,000	(121,000)	576,000
H Brown	316,000	—	—	(173,500)	142,500
R Nel	—	—	120,000	—	120,000

(1) "Net other change" relates to the on-market acquisition or disposal of fully paid ordinary shares.

(2) Includes shareholdings attributable to the El-Raghy family.

Since 31 December 2018 to the date of this report there have been no transactions notified to the Company under DTR 3.1.2.R.

Notes to the consolidated financial statements continued

for the year ended 31 December 2018

6. Other information continued

6.1 Related party transactions continued

(c) Key management personnel equity holdings continued

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:

	Balance at 1 January 2017	Granted as remuneration ("DBSP")	Granted as remuneration ("PSP")	Net other change ⁽¹⁾	Balance at 31 December 2017
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
R Jerrard	875,000	—	420,000	—	1,295,000
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
A Baker	—	—	—	—	—
Y El-Raghy	869,530	—	72,000	(262,777)	678,753
M Morcombe	—	—	—	—	—
N Bailie	—	—	166,000	—	166,000
M Smith	670,000	—	166,000	(133,333)	702,667
A Carse	—	—	—	—	—
D Le Masurier	540,000	—	107,000	(100,000)	547,000
H Brown	460,000	—	56,000	(200,000)	316,000
R Nel	—	—	—	—	—

(1) "Net other change" relates to the on-market acquisition or disposal of fully paid ordinary shares.

(2) Includes shareholdings attributable to 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 2018 are summarised below:

- salaries, superannuation contributions, bonuses, LTIs, consulting and Directors' fees paid to Directors during the year ended 31 December 2018 amounted to US\$3,951,939 (31 December 2017: US\$4,001,383); and
- Josef El-Raghy is a Director and shareholder of El-Raghy Kriewaldt Pty Ltd ("El-Raghy Kriewaldt"). El-Raghy Kriewaldt provided 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 AUD26,100 or US\$21,013 (31 December 2017: AUD70,564 or US\$54,269), this lease ended in May 2018.

(f) Transactions with the government of Egypt

Royalty costs attributable to the government of Egypt of US\$18,396,045 (2017: US\$20,404,473) were incurred in 2018. Profit share to EMRA of US\$77,803,732 (2017: US\$108,946,486) was incurred in 2018.

(g) Transactions with other related parties

Other related parties include the parent entity, subsidiaries, and other related parties.

During the financial period, the Company recognised tax payable in respect of the tax liabilities of its wholly owned subsidiaries.

Payments to/from the Company are made in accordance with terms of the tax funding arrangement.

During the financial period the Company provided funds to and received funding from subsidiaries.

All amounts advanced to related parties are unsecured. No expense has been recognised in the period for bad or doubtful debts in respect of amounts owed by related parties.

Transactions and balances between the Company and its subsidiaries were eliminated in the preparation of the consolidated financial statements of the Group.

6.2 Contributions to Egypt

(a) 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). Fourteen transactions have been entered into at the date of this report, twelve of which in the current year, pursuant to this agreement, and the values related thereto are as follows:

	31 December 2018 US\$'000	31 December 2017 US\$'000
Gold purchased	33,821	5,619
Refining costs	20	3
Freight costs	48	9
	33,889	5,631

	31 December 2018 Oz	31 December 2017 Oz
Gold purchased	26,621	4,404

At 31 December 2018 the net receivable in EGP owing from the Central Bank of Egypt is approximately the equivalent of US\$40,618.

(b) University grant

During the year, the Group together with Sami El-Raghy and the University of Alexandria Faculty of Science initiated a sponsored scholarship agreement, the Michael Kriewaldt Scholarships to outstanding geology major students to enrol at the postgraduate research programme of the geology department of the university for their MSc and/or PhD in mining and mineral resources. EGP10,000,000, EGP7,330,000 by PGM and EGP2,670,000 by Sami El-Raghy, was deposited in a fixed deposit account of which the interest earned will be put towards the cost of the scholarships and will be administered by the University on the conditions set out in the agreement.

6.3 Share-based payments

Performance share plan

The Company's shareholder approved performance share plan ("PSP") 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.

Proposed changes will be put forward at the forthcoming AGM bringing the plan rules in line with best practice and expectations of institutional investors. Full details of the proposed changes are set out in the Directors' remuneration report and AGM notice.

The awards due to be granted in June 2019 will vest following the passing of three years. Vesting will be subject to the satisfaction of the performance conditions (and for Executive Directors a full two year post vesting holding period. Awards will vest based upon a blend of three year relative TSR, cash flow and production targets, full details of which are 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 PSP, 2,615,000 awards vested to 13 eligible participants on 4 June 2018, half of which are subject to a two-year holding period, based on 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.

Notes to the consolidated financial statements continued

for the year ended 31 December 2018

6. Other information continued

6.3 Share-based payments continued

Performance share plan continued

June 2016 awards

Of the 4,999,000 awards granted on 4 June 2016 under the PSP, 3,749,000 awards remain granted to eligible participants (25 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 EBITDA; 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 PSP, 3,115,000 awards remain granted to eligible participants (35 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 Adjusted EBITDA; and
- 30% of the award shall be assessed by reference to compound growth in gold production.

June 2018 awards

Of the 4,908,000 awards granted on 27 June 2017 under the PSP, 4,714,000 awards remain granted to eligible participants (40 in total) applying the following performance criteria:

- 40% of the award shall be assessed by reference to a target total shareholder return;
- 20% of the award shall be assessed by reference to compound growth in Adjusted EBITDA; and
- 40% 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.

Performance share plan awards granted during the period:

	PSP 2018
	27 June 2018
Grant date	
Number of instruments	4,908,000
TSR: fair value at grant date GBP ⁽¹⁾	0.54
TSR: fair value at grant date US\$ ⁽¹⁾	0.71
EBITDA and gold production: fair value at grant date GBP ⁽¹⁾	1.02
EBITDA and gold production: fair value at grant date US\$ ⁽¹⁾	1.34
Vesting period (years)	3
Expected volatility (%)	42.70
Expected dividend yield (%)	4.82

(1) The vesting of 40% 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 60% of the awards are subject to 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.

DBSP awards granted during the period:

	DBSP 2018
	27 June 2018
Grant date	
Number of instruments	150,000
Share price/fair value at grant date Tranche 1 £ ⁽¹⁾	1.14
Share price/fair value at grant date Tranche 1 US\$ ⁽¹⁾	1.50
Share price/fair value at grant date Tranche 2 £ ⁽¹⁾	1.08
Share price/fair value at grant date Tranche 2 US\$ ⁽¹⁾	1.42
Share price/fair value at grant date Tranche 3 £ ⁽¹⁾	1.02
Share price/fair value at grant date Tranche 3 US\$ ⁽¹⁾	1.34
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 (%)	4.40%
Expected dividend yield Tranche 3 (%)	4.82%

(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.

Notes to the consolidated financial statements continued

for the year ended 31 December 2018

6. Other information continued

6.3 Share-based payments continued

ACCOUNTING POLICY: 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.

Share-based payments

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 above. 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.

6.4 Earnings per share ("EPS") attributable to owners of the parent

	31 December 2018 US cents per share	31 December 2017 US cents per share
Basic earnings per share	6.497	8.377
Diluted earnings per share	6.444	8.312

Basic earnings per share attributable to owners of the parent

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	31 December 2018 US\$'000	31 December 2017 US\$'000
Earnings used in the calculation of basic EPS	74,845	96,355

	31 December 2018 Number	31 December 2017 Number
Weighted average number of ordinary shares for the purpose of basic EPS	1,151,925,674	1,150,221,295

Diluted earnings per share attributed to owners of the parent

The earnings and weighted average number of ordinary shares used in the calculation of diluted earnings per share are as follows:

	31 December 2018 US\$'000	31 December 2017 US\$'000
Earnings used in the calculation of diluted EPS	74,845	96,355

	31 December 2018 Number	31 December 2017 Number
Weighted average number of ordinary shares for the purpose of basic EPS	1,151,925,674	1,150,221,295
Shares deemed to be issued for no consideration in respect of employee options	9,589,301	8,993,379
Weighted average number of ordinary shares used in the calculation of diluted EPS	1,161,514,975	1,159,214,674

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

6.5 Auditors' remuneration

The analysis of the auditors' remuneration is as follows:

	31 December 2018 US\$'000	31 December 2017 US\$'000
Fees payable to the Company's auditors and their associates for the audit of the Company's annual financial statements	370	374
Fees payable to the Company's auditors and their associates for other services to the Group		
– the audit of the Company's subsidiaries	95	86
– regulatory enquiries	78	—
Total audit fees	543	460
Non-audit fees:		
Audit related assurance services – interim review	104	107
Other assurance services	9	52
Risk management and advisory services	53	13
Other services	1	24
Total non-audit fees	167	196

The Audit and Risk Committee and the external auditors have safeguards in place to avoid the possibility that the auditors' objectivity and independence could be compromised. These safeguards include the implementation of a policy on the use of the external auditors 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 auditors 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.

6.6 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 governance report and the strategic report of the annual report.

Notes to the consolidated financial statements continued

for the year ended 31 December 2018

6. Other information continued

6.7. 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 statements presented in US dollars has been rounded to the nearest thousand dollars, unless otherwise stated.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as 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 2018, the Companies (Jersey) Law 1991. 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 financial assets at fair value through other comprehensive income, and financial assets and financial liabilities (including derivative) instruments at fair value through profit and loss.

The consolidated financial statements for the year ended 31 December 2018 were approved for issue by the Board of Directors of the Company on 1 March 2019.

Comparative figures

Certain comparative figures have been restated to conform to the financial statement presentation and policies adopted for the current year. The effect on results as previously reported has been illustrated in the relevant notes.

Refer to note 1.1.1 for the change in treatment on amounts distributed to EMRA and note 1.2.1 regarding the change in accounting policy for exploration and evaluation assets for the change to comparative figures.

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 1.1 and 4.1) 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 as profit attributable to non-controlling interest in SGM and the statement of financial position as Equity attributable to the non-controlling interest in SGM, 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 dividend paid to non-controlling interest in SGM in the statement of changes in equity of Centamin.

Going concern

This financial statements for the year ended 31 December 2018 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 5.1, 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 160km² exploitation lease. In relation to the first decision, the Company remains confident that in the event that it is required to continue to pay international prices, the mine at Sukari will remain commercially viable. Similarly, the Company remains confident that the appeal it has lodged in relation to the decision of the Administrative Court will ultimately be successful, although final resolution of it may take some time. On 20 March 2013 the Supreme Administrative Court upheld the Company's application to suspend the decision until the merits of the Company's appeal were considered and ruled on, thus providing assurance that normal operations will be able to continue during this process.

In the unlikely event that the Group is unsuccessful in either or both of its legal actions, and that the operating activities are restricted to a reduced area, it is the 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.

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 4.1 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 2018 and those held by trustees pursuant to the Company’s deferred bonus share plan (“DBSP”).

	As at 31 December 2018
Issued capital (including shares issued and held under the DBSP)	1,154,722,984
Total shares in issue under the DBSP	606,383

The issued capital of the Company at the date of this report is 1,154,722,984 ordinary shares.

Under the Company’s shareholder approved Performance Share Plan, 2,615,000 ordinary shares of no par value were issued on 9 May 2019 to satisfy awards that vested during the year. The new ordinary shares rank pari passu with the Company’s existing 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 2.11 and 2.12 to the financial statements.

The Company was authorised by shareholders at the AGM in 2018 to purchase in the market up to 10% 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 2018. This standard authority is renewable annually and the Directors will seek to renew this authority at the AGM in 2019. This resolution shall expire on 30 June 2019.

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.	197,310,598	17.35
VanEck Inc.	142,267,202	12.51
Dimensional Fund Advisors	60,257,323	5.30
Norges Bank Investment Mgt	39,157,310	3.44
The Vanguard Group, Inc	36,701,225	3.23

Note to table:

Information at 31 December 2018 based on registry analysis and information received by the Company from holders of notifiable interests and includes details of any 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 updated its dividend policy in January 2017, as follows:

“The Company’s dividend policy sets a minimum payout level relative to cash flow while considering the financial condition of, and outlook for, the Company. When determining the amount to be paid, the Board will take into consideration the underlying profitability of the Company and significant known or expected funding commitments. Specifically, the Board will aim to approve an annual dividend of at least 30% of the Company’s net cash flow after sustaining capital costs and following the payment of profit share due to the government of Egypt.”

The following dividends have been declared in respect to the financial year ended 31 December 2018:

2018 interim dividend

An interim dividend of 0.25 US cents per share on Centamin plc ordinary shares (totalling approximately US\$28.9 million) was declared on 2 August 2018. The interim dividend for the half-year period ending 30 June 2018 was paid on 28 September 2018 to shareholders on the register on the record date of 31 August 2018.

2018 final dividend

A final dividend of 3.0 US cents per share on Centamin plc ordinary shares (totalling approximately US\$34.6 million) was proposed by the Directors on 25 February 2019. The final dividend for the financial year ended 31 December 2018 will be paid on 13 May 2019 to shareholders on the register on the record date of 23 April 2019. The dividend is subject to AGM approval on 8 April 2019, following which the dividend will be final. The ex-dividend date is 18 April 2019 for LSE and 22 April 2019 for TSX listed shareholders.

Company legal form and structure continued

Summary table of dividends declared by Centamin plc

	2018	2017	2016
Interim	Declared on: 2 August 2018 Amount: 2.5 US cents per share Paid on: 28 September 2018 Total: approximately US\$28.9 million	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
Final	Proposed on: 25 February 2019 Declared date: 8 April 2019 Amount: 3 US cents per share To be paid on: 13 May 2019 Total: approximately US\$34.6 million	Proposed on: 31 January 2018 Declared date: 26 March 2018 Amount: 10 US cents per share 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 Paid on: 31 March 2017 Total: approximately US\$155.5 million

AGM

All shareholders are encouraged to attend our AGM on 8 April 2019, which will be held in Jersey. This will be an excellent opportunity to meet members of the team.

Indicative financial calendar

8 April 2019	Annual general meeting to be held in Jersey
18 April 2019	Q1 2019 preliminary production results
18 July 2019	Q2 2019 preliminary production results
1 August 2019	Results for the quarter ended 30 June 2019
17 October 2019	Q3 2019 preliminary production results

Company details

Centamin plc (LSE:CEY, TSX:CEE)
 ISIN: JE00B5TT1872
 LEI: 213800PDI9G7OUKLPV84
 Company number: 109180

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Glossary

AISC all-in sustaining costs	FVOCI fair value through other comprehensive income	NCI non-controlling interest
APMs alternative performance measures	FVTPL financial value through profit or loss	net production surplus or profit share revenue less payment of the 3% royalty to Arab Republic of Egypt ("ARE") and recoverable costs
ARE Arab Republic of Egypt	GAIP gradient array induced polarisation	open pit large scale hard rock surface mine
assay qualitative analysis of ore to determine its components	grade relative quantity or the percentage of ore mineral or metal content in an orebody	ore mineral deposit that can be extracted and marketed profitably
Au chemical symbol for the element gold	GRI Global Reporting Initiative	orebody mining term to define a solid mass of mineralised rock that can be mined profitably under current or immediately foreseeable economic conditions
Board the Board of Directors of the Group	GST goods and services tax	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
CA Concession Agreement	g/t gram per metric tonne	ounce or oz troy ounce (= 31.1035 grams)
CBE Central Bank of Egypt	IFRS International Financial Reporting Standards	PGM Pharaoh Gold Mines NL
CDP carbon development project	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	PPE property, plant and equipment
CEO Chief Executive Officer	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	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
CFO Chief Financial Officer		PSP performance share plan (formerly the restricted share plan)
Code the 2016 version of the UK Corporate Governance Code published by the FRC		R&R resources and reserves
DBSP deferred bonus share plan		ROM run of mine
DFO Diesel Fuel Oil		SEDAR system for electronic document analysis and retrieval
Directors the Directors of the Board of Centamin plc		SGM Sukari Gold Mine
DRR Directors' remuneration report		TSF tailings storage facility
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	JORC Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and the Minerals Council of Australia	TSR total shareholder return
E&E exploration and evaluation	LTI lost time injury	VAT value added tax
EGPC The Egyptian General Petroleum Corporation	LTIFR lost time injury frequency rate	
ELFSP employee loan funded share plan	mill equipment used to grind crushed rocks to the desired size for mineral extraction	
EMRA Egyptian Mineral Resource Authority	mineralisation process of formation and concentration of elements and their chemical compounds within a mass or body of rock	
EOS employee option scheme	Moz million ounces	
EPS earnings per share	Mt million tonnes	
FCA Financial Conduct Authority	Mtpa million tonnes per annum	
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		

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.

Information of a scientific or technical nature in this document, including but not limited to the mineral reserve and resource estimates, was prepared by and under the supervision of Group Qualified Person(s) and independent Qualified Person(s) as below:

- **Sukari Gold Mine, Egypt**
 - **Open Pit Mineral Reserve** Quinton de Klerk of Cube Consulting Pty Ltd
 - **Underground Mineral Reserve** Adrian Ralph of Cube Consulting Pty Ltd
 - **Mineral resource (underground)** Mark Zammit of Cube Consulting Pty Ltd
 - **Mineral resource** Arnold van der Heydyn of H&S Consultants Pty Ltd
 - **Resource database and economic assumptions for open-pit resource** Norman Bailie of Centamin Plc
- **Doropo Project, Côte d'Ivoire** Rupert Osborn of H&S Consultants Pty Ltd
- **ABC Project, Côte d'Ivoire** Rupert Osborn of H&S Consultants Pty Ltd

A "Qualified Person" is as defined by the National Instrument 43-101 of the Canadian Securities Administrators.

The named Qualified Person(s) 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. Each Qualified Person consents to the inclusion of the information in this document in the form and context in which it appears.

Investors should be aware that the figures stated are estimates and no assurances can be given that the stated quantities of metal will be produced.

Mineral resource estimates contained in this document are based on available data as at:

Sukari Gold Mine	30 June 2018
Doropo Project	10 December 2018
ABC Project	10 December 2018

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 report 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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