For immediate release 23 March 2015

Centamin plc ("Centamin" or "the Company")
(LSE:CEY, TSX:CEE)

Centamin plc Results for the Year Ended 31 December 2014

Josef El-Raghy, Chairman of Centamin, commented: "Centamin's corporate strategy seeks to deliver peer-leading shareholder returns by taking gold projects from exploration, through development and into production. In this respect, 2014 was a pivotal year for the Company. Our flagship Sukari Gold Mine saw the successful commissioning of the US$331 million Stage 4 process plant expansion, marking the project's transition out of the investment phase and into a sustainable period of free cash flow generation over an expected minimum 20-year mine life. In recognition of this and due to the Company's strong financial position, the Board of Directors initiated a dividend program during 2014 with a maiden interim dividend of 0.87 US cents per share. The Company is now pleased to propose the final dividend for 2014 of 1.99 US cents per share (approx. US$23 million), for a total full year dividend of 2.86 US cent per share, representing a pay-out level of approximately 30% of our free cash flow as defined by our dividend policy."

Operational Highlights(1),(2)

- Full year production of 377,261 ounces, a 6% increase on 2013, with Q4 2014 production of 128,115 ounces representing an increase of 37% over Q3 2014
- Full year cash cost of production of US$729 per ounce, with Q4 2014 cash costs of US$655 per ounce
- Stage 4 plant expansion completed with total project expenditure US$331.2 million
- Process plant throughput exceeded nameplate 10Mtpa capacity in Q4 2014
- 2015 guidance of 420,000 ounces gold at US$700 per ounce cash cost of production and US$950 AISC
- Underground drilling at Sukari supports further resource and reserve expansion potential
- Exploration drilling programmes continue in Ethiopia, Burkina Faso and Côte d'Ivoire

Financial Highlights(1),(2)

- EBITDA US$165.4 million, down 29% on the prior year
- Basic earnings per share 7.21 cents, down 57% on prior year
- Centamin remains debt-free and unhedged with cash, bullion on hand, gold sales receivable and available-for-sale financial assets of US$162.8 million at 31 December 2014
- Proposed final dividend of 1.99 US cents per share (approx. US$23 million); total 2014 dividend of 2.86 US c/sh

Legal Developments in Egypt

- The Supreme Administrative Court appeal and Diesel Fuel Court Case are both on-going. Centamin is aware of the potential for the legal process in Egypt to be lengthy and it anticipates a number of hearings and adjournments in both cases before decisions are reached. Operations continue as normal and any enforcement of the Administrative Court decision has been suspended pending the appeal ruling.

		Q4 2014	Q4 2013	**2014**	2013
Gold produced	ounces	**128,115**	91,546	**377,261**	356,943
Gold sold	ounces	**125,416**	88,856	**375,300**	363,576
Cash operating cost of production	US$/ounce	**655**	711	**729**	663
Average realised gold price	US$/ounce	**1,203**	1,249	**1,257**	1,384
Revenue	US$'000	**151,117**	111,200	**472,581**	503,825
EBITDA	US$'000	**60,749**	45,587	**165,384**	234,167
Profit before tax	US$'000	**33,819**	30,661	**81,562**	183,969
EPS	US cents	**2.96**	2.81	**7.21**	16.87
Cash generated from operations	US$'000	**32,791**	30,497	**111,602**	245,143

(1) *Cash cost of Production, EBITDA and cash, bullion on hand, gold sales receivables and available-for-sale financial assets are non-GAAP measures and are defined at the end of the Financial Statements. AISC (All-in-Sustaining Costs) are as defined by the World Gold Council, the details of which can be found at www.gold.org.*

(2) *Basic EPS, EBITDA, Cash Costs of Production includes an exceptional provision against prepayments, recorded since Q4 2012, to reflect the removal of fuel subsidies which occurred in January 2012 (see Note 6 of the Financial Statements)*

Centamin will host a conference call on Monday, 23 March at 9.00am (London, UK time) to update investors and analysts on its results. Participants may join the call by dialling one of the following three numbers, approximately 10 minutes before the start of the call.

UK Toll Free: 0808 237 0040
International Toll number: +44 203 428 1542
Canada Toll free: 1866 404 5783
Participant code: 29325559#

A recording of the call will be available four hours after the completion of the call on:

UK Toll Free: 0808 237 0026
International Toll number: +44 20 3426 2807
Playback Code: 655616#
Via audio link at http://www.centamin.com/centamin/investors

CHAIRMAN'S STATEMENT

2014 saw Centamin deliver a fifth successive year of production growth at Sukari with the successful completion and commissioning of the Stage 4 expansion project. Although our strong track record of delivery against annual gold production guidance was affected by lower-than-expected processing rates and underground grades, resulting in revised guidance, the fourth quarter saw annualised rates in excess of our long-term 450-500,000 ounce target. Full year production of 377,261 ounces was a 6% increase on 356,943 ounces in 2013. This strong end to the year was achieved as plant throughput exceeded the expanded 10Mtpa nameplate capacity and open pit grades increased in line with the mine plan.

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

The impact of a weaker gold price environment, contributed towards a 29% year-on-year reduction of EBITDA to US$165.4 million. Profit after tax of US$81.6 million was down 56% on 2013 and earnings per share of 7.21 cents compare with 16.87 cents in 2013.

Gold production guidance for 2015 is 420,000 ounces at a cash operating cost of US$700/oz and all-in-sustaining cost ("AISC") of US$950/oz. The northern and eastern walls of the open pit are a focus for 2015 and, as mining progresses through the upper portions of the next stage of pit development, grades are scheduled to progressively increase to the reserve average in the second half of the year, when production is expected to increase to the 450-500,000 ounce per annum rate.

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

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

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

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

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

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

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

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

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

I would like to close by thanking all those at Sukari, in Alexandria, Ethiopia, Burkina Faso, Côte d'Ivoire, Jersey and Perth for their efforts in 2014 as Centamin continued on its journey to becoming an established cash-generative gold producer.

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

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

Josef El-Raghy

Chairman

FINAL DIVIDEND

The Directors proposed a final dividend of 1.99 US cents per share (US$0.0199) on Centamin plc ordinary shares (totalling approximately US$23 million) for a full year total of 2.86 US cents per share. The final dividend for 2014 will be paid on 29 May 2015, subject to shareholder approval at the AGM to be held in London on 18 May 2015. The dividend will be paid to shareholders on the register on the Record Date of 24 April 2015.

The key dates with respect to the dividend are as follows:

London Stock Exchange (T+2)
EX-DIV DATE: 23 April 2015
RECORD DATE: 24 April 2015
LAST DATE FOR RECEIPT OF CURRENCY ELECTIONS: 8 May 2015
PAY DATE: 29 May 2015

Toronto Stock Exchange (T+3)
EX-DIV DATE: 22 April 2015
RECORD DATE: 24 April 2015
PAY DATE: 29 May 2015

The dates set out above are based on the Directors' current expectations and may be subject to change. If any of the dates should change, the revised dates will be announced by press release and will be available at www.centamin.com.

As a Jersey incorporated company, there is no requirement for Centamin plc to make any withholding or deduction on account of Jersey tax in respect of the dividend.

Shareholders who wish to elect to receive sterling dividends can mandate payments directly to their UK bank or building society by visiting the Investor Centre website at www.investorcentre.co.uk/je or by completing the dividend mandate form which is available at www.centamin.com and posting it back to the registrars in accordance with the instructions set out in the form. The registrars retain the mandates previously provided by shareholders and will apply the instructions for this and future dividends.

Our registrars have also arranged a global payment service allowing payment directly to your designated account, please visit www.investorcentre.co.uk/je or www.centamin.com for details. The currency election mandate will be applicable for shareholders with a UK bank account. The global payment service is a service provided by the registrars for shareholders registered on the LSE and transfer charges may apply.

The last date for shareholder currency elections and dividend mandates to be received by the Company will be 8 May 2015. The currency conversion rate for those electing to receive Sterling will be based on the foreign currency exchange rates on 8 May 2015. The rate applied will be published on the Company's website on 11 May 2015.

CHIEF EXECUTIVE OFFICER'S REPORT

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

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

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

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

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

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

The greenhouse gas emissions reporting required by Schedule 7 of The Large and Medium‑Sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended by The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, is a requirement only on UK incorporated quoted companies. Centamin has provided information relating to this legislation in the CSR Report.

Maintaining good community relations is a core part of our operational strategy and corporate governance standards. As the first mining company in Egypt in modern times, we strive to set an example of a socially responsible industry through adopting a good neighbour policy. We take every action to ensure Sukari has the minimum impact on the social environment, as well as to deliver positive benefits to Egypt and the community as a result of our investment, and further details of our various initiatives can be found in the CSR Report.

Our work force is remunerated well above the average for Egypt and our career development programmes are highly valued. In general we enjoy a very positive and constructive relationship with our employees.

Operational Review

Sukari Gold Mine production summary:

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

(1) *Ore mined includes 221kt @0.46g/t delivered to the dump leach in Q4 2014 (1,015kt @ 0.45 g/t in Q4 2013). Gold produced is gold poured and does not include gold-in-circuit at period end. Cash operating costs exclude royalties, exploration and corporate administration expenditure.*

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

(3) *Cash costs exclude royalties, exploration and corporate administration expenditure. Cash cost is a non-GAAP financial performance measure with no standard meaning under GAAP. For further information and a detailed reconciliation, please see "Non-GAAP Financial Measures" section below.*

(4) *Cash costs of production reflect an exceptional provision against prepayments to reflect the removal of fuel subsidies which occurred in January 2012 (refer to Notes 3 and 6 respectively to the financial statements for further details).*

Health and safety - Sukari

The LTIFR for 2014 was 0.39 per 200,000 man-hours (2013: 0.36 per 200,000 man-hours), with a total of 5,620,444 man hours worked during 2014 (2013: 6,702,908). Developing the health and safety culture onsite has resulted in improved reporting of incidents compared to previous years and, although there remains further room for improvement, Centamin views its LTI frequency rate as a solid achievement considering Sukari is the first modern gold mine in Egypt.

Open pit

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

Ore production from the open pit was 10.94Mt at 0.80g/t with an average head grade fed to the plant of 0.97g/t. The ROM ore stockpile balance increased by 0.42kt to 2.17kt by the end of the year. Mining was

primarily from the Stage 3A area, which provided access to higher-grade sulphide portions of the ore-body during the second half of the year.

Underground mine

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

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

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

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

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

Processing

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

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

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

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

2014 Capital Expenditure

A breakdown of capital expenditure during 2014 is as follows:

	US$ million
Stage 4 Processing Plant	3.4
Operational fleet expansion	4.5
TOTAL EXPANSION – SUKARI	7.9
Open pit development	20.7
Underground mine development (1)	31.1
Other sustaining capital expenditure	8.6
TOTAL SUSTAINING – SUKARI	60.4
EXPLORATION CAPITALISED(2)	64.2

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

Capital Expenditure – Stage 4 Expansion

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

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

	US$ million
Mining equipment	53.7
Processing plant	168.6
Power plant	38.9
Other	70.0
TOTAL STAGE 4 PROJECT EXPENDITURE	331.2

Exploration

Sukari

Drilling from underground remains a focus of the Sukari exploration programme and drilling rates were progressively increased as new development provided improved access from below surface to test potential high-grade extensions of the deposit. The ore body has not yet been closed off to the north, south or at depth and further underground drilling of the Sukari deposit will take place during 2015, predominantly from both the Amun and Ptah declines.

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

Amun

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

Ptah

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

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

Seven other prospects besides Sukari Hill have been identified on the 160km2 Sukari tenement area and exploration is being conducted under the principle that ore from these prospects would be trucked to the existing processing plant. Reverse circulation (24,441 metres) and diamond drilling (703m) programmes were completed during 2014 on the Quartz Ridge prospect to the east of the hill. Diamond drilling to the south at the Kurdeman prospect (1,459m) was also completed.

Burkina Faso

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

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

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

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

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

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

Côte d'Ivoire

Centamin has three licences in Côte d'Ivoire covering a c.1200km^2 area across the border from Batie West in Burkina Faso. A further four licences are currently under application.

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

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

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

Ethiopia

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

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

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

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

Outlook

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

Safety remains a priority and we target a loss time injury rate of zero during 2015.

Guidance for 2015 is for 420,000 ounces at US$700/oz cash operating cost and US$950/oz all-in-sustaining cost. Production is expected to achieve the 450-500,000 ounce per annum target rate from H2 onwards.

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

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

As we achieve these targets, and during the next 2-3 year period, we intend to continue optimising the various areas of the expanded Sukari operation with the ultimate aim of delivering further production increases. The productivity levels achieved during 2013 in the pre-expansion process plant, together with the various design improvements implemented during the Stage 4 project build, provide us with confidence that the expanded plant will achieve, in time, production levels materially above nameplate capacity. At the underground mine, as stable grade delivery is achieved at the current mined volumes, we see potential for further incremental productivity increases.

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

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

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

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

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

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

Andrew Pardey
Chief Executive Officer

FINANCIAL REVIEW

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

Through the Group's emphasis on maximising productivity and maintaining rigorous cost control, Centamin has continued to return strong earnings and cash flow generation despite the weaker gold price environment, with average realised gold prices of US$1,257 per ounce being US$127 per ounce lower than in the prior year. Now in its sixth year of production, the Sukari Gold Mine remains highly cash generative, with a competitive cash operating cost of production of US$729 per ounce and solid EBITDA of US$165.4 million (see "Non-GAAP Financial Measures" section below).

Centamin remains committed to its policy of being 100% exposed to the gold price through its un-hedged position, and maintained a robust cash and cash equivalents balance of US$125.7 million at year-end 2014.

Centamin announced a maiden interim dividend in August 2014 of 0.87 US cents per ordinary share (US9.9m total distribution) and, subject to shareholder approval at the AGM on 18 May 2015, a final dividend of 1.99 US cents per share (totalling approximately US$23m) is proposed to be paid on 29 May 2015 to shareholders on the register as of 24 April 2015. The ex-dividend date is 23 April 2015 for LSE listed shareholders and 22 April 2015 for TSX listed shareholders.

During the first half of the year the Group acquired Ampella Mining Limited for a total consideration of US$48.5m. This included a cash component of US$9.3m and assets of US$1.6m. The transaction has been accounted for as an asset acquisition, using fair value measurement principles, with exploration rights covering an area of 2,350km2, recorded as an addition to mineral properties in the period.

Revenue

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

Cost of Sales

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

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

Other Operating Costs

Other operating costs reported comprises expenditure incurred for communications, consultants, directors' fees, stock exchange listing fees, share registry fees, employee entitlements, general office administration expenses, the unwinding of the restoration and rehabilitation provision, foreign exchange movements, the share of profit/loss in Associates and the 3% production royalty payable to the Egyptian government. Other operating costs increased by 40% to US$30.4 million, as a result of:

a) a US$12.5million increase in net foreign exchange movements from a US$9.5 million gain to a US$2.9 million loss; and
b) a US$1.1 million donation (loss on disposal of assets) of two Generators to the Marsa Alam Government; offset by
c) a US$1.6 million decrease in the share of loss of Associate, as a result of having written off the costs associated with the interest held in Sahar during 2013;

d) a US$0.9 million decrease in royalty paid to the government of the ARE in line with the decrease in gold sales revenue; and
e) a US$2.3 million decrease in corporate costs.

Other Charges

Impairment charges have been recorded as follows:

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

Finance Income

Finance income reported comprises interest revenue applicable on the Company's available cash and term deposit amounts. The movements in finance income are in line with the movements in the Company's available cash and term deposit amounts.

Net Profit

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

Earnings Per Share

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

Comprehensive Income

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

Financial Position

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

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

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

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

a) exploration and evaluation assets have increased by US$64.2 million to US$124.0 million as a result of the drilling programs in Sukari Hill, the Sukari tenement area, Ethiopia, Burkina Faso and Côte d'Ívoire, this increase is inclusive of a US$2.3 million write off of expenditure in relation to the joint venture with Alecto Minerals plc;
b) a US$4.8m increase in prepayments to EMRA in relation to advance payments against future profit share; and
c) a US$65.0 million increase in property, plant of equipment, mainly relating to net capitalised work-in-progress costs of US$68.3 million (comprising US$3.4 million for the Stage 4 processing plant, US$4.5 million for the open pit mining fleet expansion, $20.7 million for open pit development, US$31.1 million for underground development and US$8.6 million for other sustaining capital expenditure) and US$4.3 million in relation to the acquisition of Ampella Mining Limited, offset by a US$5.2 million reduction in the rehabilitation asset and disposals of US$2.3 million. Offset further by a depreciation and amortisation charge of US$84.2 million, and
d) a US$0.6 million decrease in the available-for-sale financial assets to US$0.4 million as a result of:
    1. a US$1.0 million devaluation (including foreign exchange loss) in the shares held in Nyota together with the sale of 11 million shares for US$0.1 million; offset by

2. a US$0.4 million increase as a result of the receipt of the KEFI shares.

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

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

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

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

Share option reserves reported have decreased by US$1.6 million to US$4.1 million as result of the forfeiture and vesting of awards and the resultant transfer to Accumulated Profits and Issue Capital respectively, offset by the recognition of the share-based payments expense.

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

Cash Flows

Net cash flows generated by operating activities comprise receipts from gold and silver sales and interest revenue, offset by operating and corporate administration costs. Cash flows have decreased by US$133.5 million to US$111.6 million, primarily attributable to:

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

Net cash flows used in investing activities comprise exploration expenditure and capital development expenditures at Sukari including the acquisition of financial and mineral assets. Cash outflows have decreased by US$204.1 million to US$78.8 million. The primary use of the funds during the year was for investment in capital work-in-progress in relation to the Stage 4 development, the open pit and underground development, additional mining assets and exploration expenditures incurred, which was offset by US$9.3 million cash acquired through the assets acquired in Ampella Mining Limited.

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

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

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

Pierre Louw
Chief Financial Officer

Set out below are the audited consolidated Financial Statements for the Group, including notes thereto, for the year ended 31 December 2014. The independent auditors report on these Financial Statements was unmodified.

Financial statements

Consolidated statement of comprehensive income for the year ended 31 December 2014

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

(1) Refer to Note 6 for further details.

Consolidated statement of financial position as at 31 December 2014

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

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

Andrew Pardey	Pierre Louw
Chief Executive Officer	Chief Financial Officer

Financial statements

Consolidated statement of changes in equity for the year ended 31 December 2014

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

	Issued capital US$'000	Share options reserve US$'000	Accumulated profits US$'000	Total US$'000
Balance as at 1 January 2013	612,463	3,477	403,904	1,019,844
Profit for the year	—	—	183,959	183,959
Other comprehensive income for the year	—	—	6,761	6,761
Total comprehensive income for the year	—	—	190,720	190,720
Recognition of share-based payments	—	2,284	—	2,284
Balance as at 31 December 2013	612,463	5,761	594,624	1,212,848

Consolidated statement of cash flows for the year ended 31 December 2014

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

1. General information

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

Registered office and principal place of business

Centamin plc
2 Mulcaster Street
St Helier, Jersey JE2 3NJ

The nature of the Group's operations and its principal activities are set out in the Directors' Report and the Performance Review of the Annual Report.

2. Adoption of new and revised accounting standards

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

Standards not affecting the reported results nor the financial position

The following standards have been adopted by the group for the first time for the financial year beginning on or after 1 January 2014:

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

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

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

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

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

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

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

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

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

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

Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

New standards, amendments and interpretations not yet adopted

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

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39.

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

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

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

3. Summary of significant accounting policies

Basis of preparation

These financial statements are denominated in United States dollars, which is the functional currency of Centamin plc. All companies in the Group use the United States dollar as their functional currency except for Sheba Exploration Holdings Limited, Sheba Exploration Limited, Centamin Group Services, Centamin Holdings Limited and Ampella Mining Limited, Centamin Egypt Limited that use the Great British pound and Australian dollars respectively. All financial information presented in United States dollars has been rounded to the nearest thousand dollars, unless otherwise stated.

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

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

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

Changes in accounting policy

On 1 January 2014, the Group adopted IFRS 10, 'Consolidated Financial Statements', IFRS 11, 'Joint Arrangements', IFRS 12 'Disclosure of Interests in Other Entities', a revised version of IAS 27, 'Separate Financial Statements' and a revised version of IAS 28, 'Investments in Associates and Joint Ventures' which have been amended for conforming changes based on the issuance of IFRS 10 and IFRS 11. The Group adopted the amendments to the transition guidance for IFRS 10 and IFRS 11 as well as IFRIC 21, 'Levies'.

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

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

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

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

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

Changes in accounting estimate

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

The impact of this change is shown below:

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

Principles of consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the consolidated entity, being the company (the parent entity) and its subsidiaries. Subsidiaries are all entities (including structured entities) over which the group has control, as defined in IFRS 10 'Consolidated Financial Statements'. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

The consolidated financial statements include the information and results of each subsidiary from the date on which the Company obtains control and until such time as the Company ceases to control such entity. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the consolidated entity are eliminated in full.

Sukari Gold Mines ("SGM") is jointly owned by PGM and EMRA on a 50% equal basis. For accounting purposes, SGM is wholly consolidated within the Centamin group of companies reflecting the substance and economic reality of the Concession Agreement (see Note 21) and will therefore recognise a non-controlling interest ("NCI") for EMRA's participation. Furthermore based on the requirements of the Concession Agreement, payments to NCI meet the definition of a liability and will be recorded in the Income Statement and Statement of Financial Position (below profit after tax), as the EMRA Profit Share, on the date that a net production surplus becomes available. Payment made to EMRA pursuant to the provisions of the Concession Agreement is based on the net production surplus available as at 30 June, being SGM's financial year end. Pursuant to the Concession Agreement, PGM solely funds SGM's activities. PGM is also entitled to recover the following costs and expenses payable from sales revenue (excluding the royalty payable to the Arab Republic of Egypt ("ARE") (a) all current operating expenses incurred and paid after

the initial commercial production; (b) exploration costs, including those accumulated to the commencement of commercial production (at the rate of 33.3% of total accumulated cost per annum); and (c) exploitation capital costs, including those accumulated prior to the commencement of commercial production (at the rate of 33.3% of total accumulated cost per annum).

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

Going concern

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

The group meets its day to day working capital requirements through existing cash resources, as discussed in Note 20, during 2012 the operation of the mine was affected by two legal actions. The first of these followed from a decision taken by EGPC to charge international, not local (subsidised) prices for the supply of Diesel Fuel Oil to Sukari, and the second arose as a result of a judgment of the Administrative Court in relation to, amongst other matters, the Company's 160km^2 exploitation lease. With regard to the first decision, the Company remains confident that in the event that it is required to continue to pay international prices, the mine at Sukari will remain commercially viable. Similarly, the Company remains confident that the appeal it has lodged in relation to the decision of the Administrative Court will ultimately be successful, although final resolution of the matter may take some time.

With respect to the legal action, on 20 March 2013 the Supreme Administrative Court upheld the Company's application to suspend the decision until the merits of the Company's appeal are considered and ruled on, thus providing assurance that normal operations would be able to continue during this process. Sukari has operated as usual throughout the period.

In the unlikely event that the Group is unsuccessful in either or both of its legal actions, and that the operating activities are restricted to a reduced area, it is the Director's belief that the Group will be able to continue as going concern.

After making enquiries, the Directors have a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing these financial statements.

Accounting policies

Accounting policies are selected and applied in a manner which ensures that the resulting financial statements satisfy the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. These policies have been consistently applied to all the years presented, unless otherwise stated.

The following significant policies have been adopted in the preparation and presentation of these financial statements:

Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly-liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss ("FVTPL") or other

financial liabilities.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the "other gains and losses" line item in the income statement.

Other financial liabilities

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

Derecognition of financial liabilities

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

Financial assets

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

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

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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

Listed shares and listed redeemable notes held by the Group that are traded in an active market are classified as being AFS and are stated at fair value. The Group also has investments in unlisted shares that are not traded in an active market but that are classified as AFS financial assets and stated at fair value (because the directors consider that fair value can be reliably measured). Fair value is determined in the manner described in Note 26. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated profits with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is reclassified to profit or loss.

Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the balance sheet date. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest rate method less impairment. Interest is recognised by applying the effective interest rate except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised in other comprehensive income.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within twelve months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of employee benefits which are not expected to be settled within twelve months are measured as the present value of the estimated future cash flows to be made by the consolidated entity in respect of services provided by employees up to reporting date.

Superannuation

The Company contributes to, but does not participate in, compulsory superannuation funds (defined contribution schemes) on behalf of the employees and directors in respect of salaries and directors' fees paid. Contributions are charged against income as they are made.

Exploration, evaluation and development expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- (a) the rights to tenure of the area of interest are current; and
- (b) at least one of the following conditions is also met:
    - (i) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or

(ii) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploration drilling, trenching and sampling and associated activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances (as defined in IFRS 6 Exploration for and Evaluation of Mineral Resources) suggest that the carrying amount of exploration and evaluation assets may exceed its recoverable amount. The recoverable amount of the exploration and evaluation assets (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment, reclassified to mine development properties, and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced.

Mine development expenditure is recognised at cost less accumulated amortisation and any impairment losses. When commercial production in an area of interest has commenced, the associated costs are amortised over the estimated economic life of the mine on a units of production basis.

Changes in factors such as estimates of proved and probable reserves that affect unit of production calculations are dealt with on a prospective basis.

Foreign currencies

The individual financial statements of each group entity are presented in its functional currency being the currency of the primary economic environment in which the entity operates. For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in United States dollars, which is the functional currency of the Group and the presentation currency for the consolidated financial statements. All companies in the Group use the United States dollar as their functional currency except for Sheba Exploration Holdings Limited, Sheba Exploration Limited, Centamin Group Services, Centamin Holdings Limited and Ampella Mining Limited, Centamin Egypt Limited that use the Great British pound and Australian dollars respectively.

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, items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise.

Inventories

Inventories are valued at the lower of cost and net realisable value. Costs including an appropriate portion of fixed and variable overhead expenses are assigned to inventory on hand by the method appropriate to each particular class of inventory, with the majority being valued on a weighted average cost basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

Ore stockpiles, gold in circuit and bullion are valued applying absorption costing.

Interests in joint ventures

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

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

Leased assets

Leased assets are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where other systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Property, plant and equipment ("PPE")

Plant and equipment is stated at cost less accumulated depreciation and impairment. Plant and equipment will include capitalised development expenditure. Cost includes expenditure that is directly attributable to the acquisition of the item as well as the estimated cost of abandonment. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. The cost of property, plant and equipment includes the estimated restoration costs associated with the asset.

Depreciation is provided on plant and equipment. Depreciation is calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual financial period, with the effect of any changes recognised on a prospective basis.

Freehold land is not depreciated.

The following estimated useful lives are used in the calculation of depreciation:

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

The gain or loss arising on the disposal or scrappage of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

Mine development properties

Where mining of a mineral resource has commenced, the accumulated costs are transferred from exploration and evaluation assets to mine development properties.

Amortisation is first charged to new mine development ventures from the date of first commercial production. Amortisation of mine properties is on a unit of production basis resulting in an amortisation charge proportional to the depletion of the proved and probable ore reserves. The unit of production can be on a tonnes or an ounce depleted basis.

Capitalised underground development costs incurred to enable access to specific ore blocks or areas of the underground mine, and which only provide an economic benefit over the period of mining that ore block or area, are depreciated on a units of production basis, whereby the denominator is estimated ounces of gold in proven and probable reserves within that ore block or area where it is considered probable that those resources will be extracted economically.

Stripping activity assets

The Group defers stripping costs incurred (removal of mine waste materials which provide improved access to further quantities of material that will be mined in future periods). This waste removal activity is known as "stripping". There can be two benefits accruing to the entity from the stripping activity:

- usable ore that can be used to produce inventory; and
- improved access to further quantities of material that will be mined in future periods.

The costs of stripping activity to be accounted for in accordance with the principles of IAS 2 Inventories to the extent that the benefit from the stripping activity is realised in the form of inventory produced. The costs of stripping activity which provides a benefit in the form of improved access to ore is recognised as a non-current "stripping activity asset" where the following criteria are met:

(a) it is probable that the future economic benefit (improved access to the ore body) associated with the stripping activity will flow to the entity;
(b) the entity can identify the component of the ore body for which access has been improved; and
(c) the costs relating to the stripping activity associated with that component can be measured reliably.

When the costs of the stripping activity asset and the inventory produced are not separately identifiable, production stripping costs are allocated between the inventory produced and the stripping activity asset by using an allocation basis that is based on a relevant production measure. A stripping activity asset is accounted for as an addition to, or as an enhancement of, an existing asset and classified as tangible or intangible according to the nature of the existing asset of which it forms part. A stripping activity asset is initially measured at cost and subsequently carried at cost or its revalued amount less depreciation or amortisation and impairment losses. A stripping activity asset is depreciated or amortised on a systematic basis, over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity. The stripping activity asset is depreciated using a units of production method based on the total ounces to be produced over the life of the component of the ore body.

Deferred stripping costs are included in “stripping assets”, within tangible assets. These form part of the total investment in the relevant cash-generating unit, which is reviewed for impairment if events or a change in circumstances indicate that the carrying value may not be recoverable. Amortisation of deferred stripping costs is included in operating costs.

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

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units).

Recoverable amount is the higher of fair value loss costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future flows have not been adjusted.

If the recoverable amount of a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the cash-generating unit is reduced to its recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the cash-generating unit in prior years.

A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of an impairment loss is treated as a revaluation increase.

Revenue

Revenue is measured at the fair value of the consideration received or receivable for goods and services in the normal course of business, net of discounts, VAT and other sales-related taxes.

Sale of goods

Revenue from the sale of mineral production is recognised when the Group has passed the significant risks and rewards of ownership of the mineral production to the buyer, it is probable that economic benefits associated with the transaction will flow to the Group, the sales price can be measured reliably, and the Group has no significant continuing involvement and the costs incurred or to be incurred in respect of the transaction can be measured reliably. This is when insurance risk has passed to the buyer and the goods have been collected at the agreed location.

Where the terms of the executed sales agreement allow for an adjustment to the sales price based on a survey of the mineral production by the buyer (for instance an assay for gold content), recognition of the revenue from the sale of mineral production is based on the most recently determined estimate of product specifications.

Pre-production revenues

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

Production royalty

The Arab Republic of Egypt (“ARE”) is entitled to a royalty of 3% of net sales revenue (revenue net of freight and refining costs) as defined from the sale of gold and associated minerals from the Sukari Project. This royalty is calculated and recognised on receipt of the final certificate of analysis document received from the refinery. Due to its nature, this royalty is not recognised in cost of sales but rather in other operating costs.

Other income

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Business combinations

Acquisitions of businesses as defined by IFRS 3 are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with IFRS 3 either in profit or loss or as a change to other comprehensive income. Changes in the fair value of contingent consideration classified as equity are not re-measured, and its subsequent settlement is accounted for within equity.

Where a business combination is achieved in stages, the Group's previously-held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 (2008) are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with IFRS 2 Share-based Payment; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale.

Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results, assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Where a Group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

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

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

Share-based payments

Equity-settled share-based payments with employees and others providing similar services are measured at the fair value of the equity instrument at grant date. Fair value is measured by the use of the Black Scholes model. Where share-based payments are subject to market conditions, fair value was measured by the use of a Monte-Carlo simulation. The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the consolidated entity's estimate of shares that will eventually vest.

Equity-settled share-based transactions with other parties are measured at the fair value of the goods or services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

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

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

The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. Further details on how the fair value of equity-settled share-based transactions has been determined can be found in Note 27. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with corresponding adjustment to the equity-settled employee benefits reserve.

Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where the Company or other members of the consolidated Group purchases the Company's equity share capital, the consideration paid is deducted from the total shareholders' equity of the Group and/or of the Company as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity of the Group and/or the Company.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other periods and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Restoration and rehabilitation

A provision for restoration and rehabilitation is recognised when there is a present legal or constructive obligation as a result of exploration, development and production activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the costs of dismantling and removal of facilities, restoration and monitoring of the affected areas. The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each reporting date.

The initial estimate of the restoration and rehabilitation provision relating to exploration, development and mining production activities is capitalised into the cost of the related asset and amortised on the same basis as the related asset, unless the present obligation arises from the production of the inventory in the period, in which case the amount is included in the cost of production for the period. Changes in the estimate of the provision of restoration and rehabilitation are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset.

4. Critical accounting judgments

Critical judgments in applying the entity's accounting policies

The following are the critical judgments that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

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

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

IFRS requires management to test for impairment if events or changes in circumstances indicate that the carrying amount of a finite lived asset may not be recoverable. Management have concluded that there is no indication that an impairment exists, nor have any indicators arisen after the reporting period and are therefore not required to perform a full impairment review under IAS 36.

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

- Internal sources of information;
- External sources of information;
- Litigation;
- The key assumptions applied in the 31 December 2013 impairment review;

- Forecast gold prices;
- Discount rate;
- Production volumes;
- Reserves and resources report; and
- Costs and recovery rates.

Litigation

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

The Group is currently a party to two legal actions both of which could affect its ability to operate the mine at Sukari in the manner in which it is currently operated and adversely affect its profitability. The details of this litigation, which relate to the loss of the Egyptian national subsidy for diesel fuel oil and the ability of the Group to operate outside the area of $3km^2$ determined by the Administrative Court of first instance to be the area of the Sukari exploitation lease, are given in Note 20 to the financial statements and in the most recently filed Annual Information Form ("AIF") which is available on SEDAR at www.sedar.com. Although it is possible to quantify the effects of the loss the national fuel subsidy, it is not currently possible to quantify with sufficient precision the effect of restricting operations to an area of $3km^2$.

Every action is being taken to contest these decisions, including the making of formal legal appeals and, although their resolution may take some time, management remain confident that a satisfactory outcome will ultimately be achieved. In the meantime, however, the Group is continuing to pay international prices for diesel fuel oil. With respect to the Administrative Court ruling, on 20 March 2013 the Supreme Administrative Court upheld the Company's application to suspend this decision until the merits of the Company's appeal are considered and ruled on, thus providing assurance that normal operations would be able to continue during this process.
In the unlikely event that the Group is unsuccessful in either or both of its legal actions, and that the operating activities are restricted to a reduced area, it is management's belief that the Group will be able to continue as going concern.

Recovery of capitalised exploration evaluation and development expenditure

The Group's accounting policy for exploration and evaluation expenditure results in exploration and evaluation expenditure being capitalised for those projects where such expenditure is considered likely to be recoverable through future extraction activity or sale or where the exploration activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether the Group will proceed with development based on existence of reserves or whether an economically viable extraction operation can be established. Such estimates and assumptions may change from period to period as new information becomes available. If, subsequent to the exploration and evaluation expenditure being capitalised, a judgment is made that recovery of the expenditure is unlikely or the project is to be abandoned, the relevant capitalised amount will be written off to the income statement.

As described in Note 13 to the financial statements, in February 2015, the Company gave formal notice to Alecto Minerals plc ("Alecto") terminating the joint venture agreement entered into between the Company and Centamin in September 2013 with regards to the development of Alecto's licences in Ethiopia.

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

Going concern

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

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

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

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

Accounting treatment of Sukari Gold Mines ("SGM")

SGM is consolidated within the Centamin Group of companies, reflecting the substance and economic reality of the Concession Agreement (see Note 21 to the financial statements).

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Provision for restoration and rehabilitation costs

The Group is required to decommission, rehabilitate and restore mines and processing sites at the end of their producing lives to a condition acceptable to the relevant authorities. The provision has been calculated taking into account the estimated future obligations including the costs of dismantling and removal of facilities, restoration and monitoring of the affected areas. The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date.

Ore reserve estimates

Estimates of recoverable quantities of reserves include assumptions on commodity prices, exchange rates, discount rates and production costs for future cash flows. It also involves assessment and judgment of complex geological models. The economic, geological and technical factors used to estimate ore reserves may change from period to period. Changes in ore reserves affect the carrying values of mine properties, property, plant and equipment, provision for rehabilitation assets and deferred taxes. Ore reserves are integral to the amount of depreciation and amortisation charged to the Statement of Comprehensive Income and the calculation of inventory.
Production forecasts from the underground mine at Sukari are partly based on estimates regarding future resource and reserve growth. It is the opinion of management and directors that these estimates are both realistic and conservative, based on current information. However, as the mine relies on continued deeper development and exploration drilling for further reserve definition, the life of this part of the mine remains limited and there is a risk that some or all of this growth will not materialise with a consequent negative impact on current production forecasts which affect the unit of production used in depreciation calculations.

Depreciation of capitalised underground mine development costs

Depreciation of capitalised underground mine development costs at the Sukari mine is based on reserve estimates. Management and directors believe that these estimates are both realistic and conservative, based on current information. However, as the mine relies on continued deeper development and exploration drilling for further reserve definition, the estimated reserves may change with a consequent negative impact on the carrying value of capitalised underground mine development.

5. Revenue

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

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

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

6. Profit before tax

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

	31 December 2014			31 December 2013		
	Before exceptional items US$'000	**Exceptional items US$'000**	**Total US$'000**	Before Exceptional Items US$'000	Exceptional items US$'000	Total US$'000
Cost of sales						
Mine production costs	**(214,370)**	**(61,564)**	**(275,934)**	(184,608)	(53,130)	(237,738)
Movement in inventory	**2,839**	**(970)**	**1,869**	8,973	2,126	11,099
Depreciation and amortisation	**(84,232)**	**—**	**(84,232)**	(50,798)	—	(50,798)
	(295,763)	**(62,534)**	**(358,297)**	(226,433)	(51,004)	(277,437)

Notes to the consolidated financial statements for the year ended 31 December 2014

	31 December 2014 US$'000	31 December 2013 US$'000
Finance income		
Interest received	**410**	690
Other operating costs		
Corporate compliance	**(1,339)**	(3,188)
Corporate consultants	**(381)**	(793)
Employee entitlements	**(116)**	(118)
Salary and wages	**(6,135)**	(5,854)
Travel and accommodation	**(899)**	(1,205)
Other administration expenses	**(243)**	(278)
Employee equity settled share-based payments	**(2,493)**	(2,284)
Fixed royalty – attributable to the Egyptian government	**(14,144)**	(15,074)
Foreign exchange (loss)/gain, net	**(2,900)**	9,621
Provision for restoration and rehabilitation – unwinding of discount	**(538)**	(563)
Share of loss in associate [1]	**-**	(1,664)
Loss on disposal of property, plant and equipment	**(1,093)**	(121)
Lease payments	**(87)**	(206)
	(30,368)	(21,727)

(1) In the prior year, the share of loss in associate included a US$1,414,000 Impairment of Exploration and Evaluation assets. Refer to Note 14 for further details.

	31 December 2014 US$'000	31 December 2013 US$'000
Impairment of assets		
Impairment of available-for-sale financial assets [1]	**(436)**	(12,911)
Impairment of exploration and evaluation assets [2]	**(2,328)**	(6,503)
	(2,764)	(19,414)

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

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

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

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

Exceptional items

The directors consider that items of income or expense which are material by virtue of their unusual, irregular or non-recurring nature should be disclosed separately if the consolidated financial statements are to fairly present the financial position and underlying business performance. In order to allow a better understanding of the financial information presented within the consolidated financial statements, and specifically the Group's underlying business performance, the effect of exceptional items are shown below.

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

In January 2012 the Company received a letter from Chevron to the effect that Chevron would not be able to continue supplying Diesel Fuel Oil ("DFO") to the mine at Sukari at local subsidised prices. It is understood that the reason that this letter was issued was that Chevron had received a letter instructing it to do so from the Egyptian General Petroleum Corporation ("EGPC"). It is understood that EGPC itself took the decision to issue this instruction because it had received legal advice from the Legal Advice Department of the Council of State (an internal government advisory department) that the companies operating in the gold mining sector in Egypt were not entitled to such subsidies. In addition, the Company during the year received a demand from Chevron for the repayment of fuel subsidies received in the period from late 2009 through to January 2012, amounting to some US$60 million (EGP403 million).

The Group has taken detailed legal advice on this matter (and, in particular, on the opinion given by Legal Advice Department of the Council of State) and in consequence in June 2012 lodged an appeal against EGPC's decision in the Administrative Courts. Again, the Group believes that its grounds for appeal are strong and that there is every prospect of success. However, as a practical matter, and in order to ensure the continuation of supply, the Group has since January 2012 advanced funds to its fuel supplier, Chevron, based on the international price for diesel.

As at the date of the financial statements, no final decision had been taken by the courts regarding this matter. Furthermore, the Group remains of the view that an instant move to international fuel prices is not a reasonable outcome and will look to recover funds advanced thus far should the court proceeding be concluded in its favour. However, management recognises the practical difficulties associated with reclaiming funds from the government and for this reason has, fully provided against the prepayment of US$165.7 million, as an exceptional item, of which US$68.7 million was provided for during 2014 as follows:

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

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

7. Tax

Tax recognised in profit is summarised as follows:

Tax expense

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

In Australia, Centamin Egypt Limited and Pharaoh Gold Mines NL have elected to form a tax-consolidated group and therefore are treated as a single entity for Australian income tax purposes. Pharaoh Gold Mines NL has elected into the "Branch Profits Exemption" whereby foreign branch income will generally not be subject to Australian income tax.

In Egypt, Centamin has entered into a concession agreement that provides that the income generated by Sukari Gold Mining Company's activities is granted a long-term tax exemption from all taxes imposed in Egypt.

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

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

(1) The tax rate used in the above reconciliation is the corporate tax rate of 0% payable by Jersey corporate entities under the Jersey tax law (2013: 0%). There has been no change in the underlying corporate tax rates when compared to the previous financial period.

	31 December 2014 US$'000	31 December 2013 US$'000
Current tax liabilities	—	—
Current tax payable	—	—

Tax consolidation

Relevance of tax consolidation to the consolidated entity

Companies within the Group's wholly-owned Australian resident entities formed a tax-consolidated group with effect from 1 July 2003. The head entity within the tax-consolidated Group is Centamin Egypt Limited. The members of the tax-consolidated Group are identified at Note 21.

Nature of tax funding arrangements and tax sharing agreements

Entities within the tax-consolidated Group have entered into a tax funding arrangement and a tax-sharing agreement with the head entity. Under the terms of the tax-funding agreement, Centamin Egypt Limited and each of the entities in the tax-consolidated Group has agreed to pay a tax-equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity. Such amounts are reflected in amounts receivable from or payable to other entities in the tax-consolidated group.

The tax-sharing agreement entered into between members of the tax-consolidated Group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax-sharing agreement is considered remote.

8. Segment reporting

The Group is engaged in the business of exploration and mining of precious metals only, which represents a single operating segment. The Board is the Group's chief operating decision maker within the meaning of IFRS 8.

Non-current assets other than financial instruments by country:

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

9. Trade and other receivables

	31 December 2014 US$'000	31 December 2013 US$'000
Non-current		
Deposits	**24**	—
Value added taxation refund	**621**	—
	645	—

	31 December 2014 US$'000	31 December 2013 US$'000
Current		
Gold sales debtors	**24,057**	24,657
Other receivables	**916**	770
	24,973	25,427

Trade and other receivables are classified as loans and receivables and are therefore measured at amortised cost. The average age of the receivables is 21 days (2013: 18 days). No interest is charged on the receivables. There are no trade receivables past due and impaired at the reporting date, and thus no allowance for doubtful debts has been recognised. Of the trade receivables balance, the gold sales debtor is all receivable from Johnson Matthey of Canada. The amount due has been received subsequent to year end and was considered to be fully recoverable.

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

10. Inventories

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

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

11. Prepayments

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

(1) Refer to Note 6, Exceptional Items, for further details.
(2) The cumulative fuel prepayment recognised and provision charged as at 31 December 2014 is as follows:

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

	31 December 2014 US$'000	31 December 2013 US$'000
Non-current		
EMRA [3]	**23,750**	18,950
	23,750	18,950

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

12. Property, plant and equipment

	Office equipment US$'000	Buildings US$'000	Plant and equipment US$'000	Mining equipment US$'000	Mine development properties US$'000	Stripping asset US$'000	Capital WIP US$'000	Total US$'000
Cost								
Balance at 31 December 2013	4,625	171	284,902	178,374	182,974	—	426,461	1,077,507
Additions	17	—	8	—	6,979	—	61,252	68,256
Decrease in rehabilitation asset	—	—	—	—	(5,161)	—	—	(5,161)
Acquisition of subsidiary	1,080	1,131	814	1,224	—	—	3	4,252
Disposals	(571)	(160)	(724)	(391)	—	—	(574)	(2,420)
Transfers	232	—	280,811	41,447	43,400	—	(365,890)	-
Balance at 31 December 2014	**5,383**	**1,142**	**565,811**	**220,654**	**228,192**	**—**	**121,252**	**1,142,434**
Accumulated depreciation								
Balance at 31 December 2013	(3,051)	(23)	(42,747)	(46,326)	(34,774)	—	—	(126,921)
Acquisition of subsidiary	(765)	(146)	(649)	(1,224)	—	—	—	(2,784)
Depreciation and amortisation	(730)	(8)	(24,456)	(24,373)	(34,723)	—	—	(84,290)
Disposals	292	—	108	125	—	—	—	525
Balance at 31 December 2014	**(4,254)**	**(177)**	**(67,744)**	**(71,798)**	**(69,497)**	**—**	**—**	**(213,470)**
Cost								
Balance at 31 December 2012	3,595	171	278,366	105,276	176,407	—	259,856	823,671
Additions	54	—	55	—	1,742	—	252,173	254,024
Disposals	(188)	—	—	—	—	—	—	(188)
Transfers	1,164	—	6,481	73,098	4,825	—	(85,568)	—
Balance at 31 December 2013	**4,625**	**171**	**284,902**	**178,374**	**182,974**	**—**	**426,461**	**1,077,507**
Accumulated depreciation								
Balance at 31 December 2012	(2,516)	(16)	(28,252)	(29,707)	(15,609)	—	—	(76,100)
Depreciation and amortisation	(602)	(7)	(14,495)	(16,619)	(19,165)	—	—	(50,888)
Disposals	67	—	—	—	—	—	—	67
Balance at 31 December 2013	**(3,051)**	**(23)**	**(42,747)**	**(46,326)**	**(34,774)**	**—**	**—**	**(126,921)**
Net book value								
As at 31 December 2013	1,574	148	242,155	132,048	148,200	—	426,461	950,586
As at 31 December 2014	**1,129**	**965**	**498,067**	**148,856**	**158,695**	**—**	**121,252**	**928,964**

During the prior year, as a result of the decline in the gold price, the Group carried out a review of the recoverable amount of the property, plant and equipment. The review did not lead to a recognition of an impairment loss. The discount rate used in measuring value in use was 12% per annum and the assumed average gold price was US$1,342 per ounce. No impairment review was performed in 2014 as no indicators of impairment were identified.

13. Exploration and evaluation asset

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

The exploration and evaluation asset relates to the drilling, geological exploration and sampling of potential ore reserves. During the first half of the year the Group acquired a 100% interest in Ampella Mining Limited for a total consideration (through the issue of shares in Centamin plc) of US$48.5m including a cash component of US$9.3m and additional assets of US$1.6m. The transaction has been accounted for as an asset acquisition, using fair value measurement principles, with exploration rights covering an area of 2,350km^2, recorded as an addition to mineral

properties in the period. The tenements collectively known as the Batie West permits are Danhal, Donko, Dounkou, Gbingbina, Mabera, Tiopolo, Niorka, Bottara, Kaldera, Kpere Batie, Timboura and Kpere.

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

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

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

14.1 Available-for-sale financial assets

	31 December 2014 US$'000	31 December 2013 US$'000
Balance at the beginning of the period	**989**	5,613
Acquisitions	**379**	2,456
Disposals	**(91)**	(822)
Loss on foreign exchange movement	**(352)**	(108)
Loss on fair value of investment – other comprehensive income	**(80)**	(6,150)
Impairment loss	**(436)**	—
Balance at the end of the period	**409**	989

The available-for-sale financial asset at period end relates to a 11.34% (2013: 12.62%) equity interest in Nyota Minerals Limited ("Nyota"), a listed public company. During the year, management made the decision to sell its interest in Nyota and the financial asset has now been classed as a current asset.

In 2013, as a result of the prolonged decline in the fair value of the investment in Nyota, an impairment loss has been recognised and the cumulative investments revaluation reserve balance within the accumulated profit reserve has been transferred to the Statement of Comprehensive Income as follows:

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

14.2 Interests in associates

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

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

15. Trade and other payables

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

Trade payables principally comprise the amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 16 days (2013: 69 days). Trade payables are interest free for periods ranging from 30 to 180 days. Thereafter interest is charged at commercial rates. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

The directors consider that the carrying amount of trade payables approximate their fair value.

16. Provisions

	31 December 2014 US$'000	31 December 2013 US$'000
Current		
Employee benefits [(1)]	**307**	139
	307	139
Non-current		
Restoration and rehabilitation [(2)]	**3,015**	7,638
	3,015	7,638
Movement in restoration and rehabilitation provision		
Balance at beginning of the year	**7,638**	5,544
(Provision derecognised) / additional provision recognised	**(5,161)**	1,531
Interest expense – unwinding of discount	**538**	563
Balance at end of the year	**3,015**	7,638

(1) Employee benefits relate to annual, sick and long service leave entitlements. The current provision for employee benefits as at 31 December 2014 includes US$150,493 (31 December 2013: US$139,111) of annual leave entitlements.
(2) The provision for restoration and rehabilitation represents the present value of the directors' best estimate of the future outflow of economic benefits that will be required to remove the facilities and restore the affected areas at the Group's sites discounted by 12% (2013: 7%). This estimate has been made on the basis of benchmark assessments of restoration works required following mine closure and after taking into account the projected area to be disturbed over the life of the mine, being 20 years. A detailed review was undertaken as at 31 December 2014 as a result of the commissioning of Stage 4 which has resulted in the US$4,623,470 decrease in the provision.

17. Issued capital

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

The Authorised Share Capital is an unlimited number of no par value shares.

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

Fully paid ordinary shares carry one vote per share and carry the right to dividends. See Note 27 for more details of the share options.

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

18. Reserves

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

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

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

19. Commitments for expenditure

(a) Capital expenditure commitments

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

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

(b) Operating lease commitments

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

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

Operating lease commitments are limited to office premises in Jersey.

20. Contingent liabilities and contingent assets

Contingent liabilities

Fuel supply

In January 2012, the Group received a letter from Chevron to the effect that Chevron would only be able to supply Diesel Fuel Oil ("DFO") to the mine at Sukari at international prices rather than at local subsidised prices, which had the effect of adding approximately US$150 per ounce to the cost of production. It is understood that the reason that this letter was issued was that Chevron had received a letter instructing it to do so from the Egyptian General Petroleum Corporation ("EGPC"). It is further understood that EGPC itself issued this instruction because it had received legal advice from the Legal Advice Department of the Council of State (an internal government advisory department) that the companies operating in the gold mining sector in Egypt were not entitled to such subsidies. In November, the Group received a further demand from Chevron for the repayment of fuel subsidies received during the period from late 2009 through to January 2012, amounting to EG£403 million (approximately US$60.5 million at current exchange rates).

The Group has taken detailed legal advice on this matter (and, in particular, on the opinion given by the Legal Advice Department of the Council of State) and in June 2012 lodged an appeal against EGPC's decision in the Administrative Courts. Again, the Group believes that its grounds for appeal are strong and that there is a good prospect of success. However, as a practical matter, and in order to ensure the continuation of supply whilst the matter is resolved, the Group has since January 2012 advanced funds to its fuel supplier, Chevron, based on the international price for fuel.

As at the date of this document, no decision had been taken by the courts regarding this matter. The Group remains of the view that an instant move to international fuel prices is not a reasonable outcome and will look to recover funds advanced thus far should the court proceeding be successfully concluded. However, management recognises the practical difficulties associated with reclaiming funds from the government and for this reason has fully provided against the prepayment of US$97.0 million, as an exceptional item. Refer to Note 6 of the accompanying financial statements for further details on the impact of this exceptional provision on the Group's results for 2014.

No provision has been made in respect of the historic subsidies prior to January 2012 as, based on legal advice, the Company believes that the prospects of a court finding in its favour in relation to this matter remain very strong.

Concession Agreement court case

On 30 October 2012, the Administrative Court in Egypt handed down a judgment in relation to a claim brought by, amongst others, an independent member of the previous parliament, in which he argued for the nullification of the agreement that confers on the Group rights to operate in Egypt. This agreement, the Concession Agreement, was entered into between the Arab Republic of Egypt, the Egyptian Mineral Resources Authority ("EMRA") and Centamin's wholly-owned subsidiary Pharaoh Gold Mines ("PGM"), and was approved by the People's Assembly as Law 222 of 1994.

In summary that judgment states that, although the Concession Agreement itself remains valid and in force, insufficient evidence had been submitted to Court in order to demonstrate that the 160km^2 "exploitation lease" between PGM and EMRA had received approval from the relevant Minister as required by the terms of the Concession Agreement. Accordingly, the Court found that the exploitation lease in respect of the area of 160km^2 was not valid although it stated that there was in existence such a lease in respect of an area of 3km^2. Centamin, however, is in possession of the executed original lease documentation which clearly shows that the 160km^2 exploitation lease was approved by the Minister of Petroleum and Mineral Resources. It appears that an executed original document was not supplied to the Court.

Upon notification of the judgment the Group took various steps to protect its ability to continue to operate the mine at Sukari. These included lodging a formal appeal before the Supreme Administrative Court on 26 November 2012. In addition, in conjunction with the formal appeal the Group applied to the Supreme Administrative Court to suspend the initial decision until such time as the court was able to consider and rule on the merits of the appeal. On 20 March 2013 the Court upheld this application thus suspending the initial decision and providing assurance that normal operations would be able to continue whilst the appeal process is under way.

EMRA lodged its own appeal in relation to this matter on 27 November 2012, the day after the Company's appeal was lodged, supporting the Group's view in this matter. Furthermore, in late December 2012, the Minister of Petroleum lodged a supporting appeal and shortly thereafter publicly indicated that, in his view, the terms of the Concession Agreement were fair and that the "exploitation" lease was valid. The Minister of Petroleum also expressed support for the investment and expertise that Centamin brings to the country. The Company believes this demonstrates the government's commitment to our investment at Sukari and the desire to stimulate further investment in the Egyptian mining industry.

The Company does not yet know when the appeal will conclude, although it is aware of the potential for the process in Egypt to be lengthy. The Company has taken extensive legal advice on the merits of its appeal from a number of leading Egyptian law firms who have confirmed that the proper steps were followed with regard to the grant of the 160km² lease. It therefore remains of the view that the appeal is based on strong legal grounds and will ultimately be successful. In the event that the appellate court fails to be persuaded of the merits of the case put forward by the Group, the operations at Sukari may be adversely effected to the extent that the Group's operation exceeds the exploitation lease area of 3km² referred to in the original court decision.

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

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

21. Subsidiaries

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

		Ownership interest	
	Country of incorporation	**31 December 2014 %**	31 December 2013 %
Centamin Egypt Limited	Australia	**100**	100
Viking Resources Limited	Australia	**100**	100
North African Resources NL	Australia	**100**	100
Pharaoh Gold Mines NL	Australia	**100**	100
Egyptian Pharaoh Investments (1)	Egypt	**50**	50
Sukari Gold Mining Co	Egypt	**50**	50
Centamin UK Limited (voluntarily struck off)	United Kingdom	**100**	100
Sheba Exploration Holdings Limited (2)	United Kingdom	**100**	100
Centamin Group Services Limited	Jersey	**100**	100
Centamin Holdings Limited	Jersey	**100**	100
Sheba Exploration Limited	Ethiopia	**100**	100
Centamin Limited	Bermuda	**100**	100
Centamin West Africa Holdings Limited	United Kingdom	**100**	100
Ampella Mining Limited	Australia	**100**	-
Ampella Share Plan Ltd	Australia	**100**	-
Ampella Mining Gold Pty Ltd	Australia	**100**	-
West African Gold Reserve Pty Ltd	Australia	**100**	-
Ampella Mining Gold SARL	Burkina Faso	**100**	-
Ampella Mining SARL	Burkina Faso	**100**	-
Ampella Mining Cote d'Ivoire	Cote d'Ivoire	**100**	-

(1) Dormant company.
(2) Previously Sheba Exploration (UK) Plc.

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

In 2005 PGM, together with EMRA, were granted an Exploitation Lease over 160 square kilometres surrounding the Sukari Project site. The Exploitation Lease was signed by PGM, EMRA and the Egyptian Minister of Petroleum and gives tenure for a period of 30 years, commencing 24 May 2005 and extendable by PGM for an additional 30 years upon PGM providing reasonable commercial justification.

In 2006 SGM, was incorporated under the laws of Egypt. SGM was formed to conduct exploration, development, exploitation and marketing operations in accordance with the Concession Agreement. Responsibility for the day-to-day management of the project rests with the general manager, who is appointed by PGM.

The fiscal terms of the Concession Agreement require that PGM solely funds SGM. PGM is however entitled to recover from sales revenue recoverable costs, as defined in the Concession Agreement. EMRA is entitled to a share of SGM's net production surplus or profit share (defined as revenue less payment of the fixed royalty to ARE and recoverable costs). As at 31 December 2014, PGM has not recovered its cost and accordingly, no EMRA entitlement has been recognised to date, It is anticipated that the first payment to EMRA will become payable during 2017. Any payment made to EMRA pursuant to these provisions of the Concession Agreement will be recognised as a variable charge in the income statement.

The Concession Agreement grants certain tax exemptions, including the following:

- from 1 April 2010, being the date of commercial production, the Sukari Project is entitled to a 15 year exemption from any taxes imposed by the Egyptian government on the revenues generated from the Sukari Project. PGM and EMRA intend that SGM will in due course file an application to extend the tax-free period for a further 15 years. The extension of the tax-free period requires that there has been no tax problems or disputes in the initial period and that certain activities in new remote areas have been planned and agreed by all parties;
- PGM and SGM are exempt from custom taxes and duties with respect to the importation of machinery, equipment and consumable items required for the purpose of exploration and mining activities at the Sukari Project. The exemption shall only apply if there is no local substitution with the same or similar quality to the imported machinery, equipment or consumables. Such exemption will also be granted if the local substitution is more than 10% more expensive than the imported machinery, equipment or consumables after the additional of the insurance and transportation costs;
- PGM, EMRA and SGM and their respective buyers will be exempt from any duties or taxes on the export of gold and associated minerals produced from the Sukari Project;
- PGM at all times is free to transfer in US dollars or other freely convertible foreign currency any cash of PGM representing its share of net proceeds and recovery of costs, without any Egyptian government limitation, tax or duty;
- PGM's contractors and sub-contractors are entitled to import machinery. Equipment and consumable items under the "Temporary Release System" which provided exemption from Egyptian customs duty; and
- legal title of all operating assets of PGM will pass to EMRA when cost recovery is completed. The right of use of all fixed and movable assets remains with PGM and SGM.

22. Auditor's remuneration

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

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

The Audit Committee and the external auditor have safeguards in place to avoid the possibility that the auditor's objectivity and independence could be compromised. These safeguards include the implementation of a policy on the use of the external auditor for non-audit related services.

Where it is deemed that the work to be undertaken is of a nature that is generally considered reasonable to be completed by the auditor of the Company for sound commercial and practical reasons, the conduct of such work will be permissible provided that it has been pre-approved. All these services are also subject to a predefined fee limit. Any work performed in excess of this limit must be approved by the Audit Committee.

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

23. Joint arrangements

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

	Percentage interest	
	31 December 2014	31 December 2013
Name of joint operation	**%**	%
Egyptian Pharaoh Investments [1] - Exploration	**50**	50

(1) Dormant company.

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

24. Earnings per share

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

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share arenas follows:

	31 December 2014 US$'000	31 December 2013 US$'000
Earnings used in the calculation of basic EPS	**81,562**	183,959
	31 December 2014 Number	31 December 2013 Number
Weighted average number of ordinary shares for the purpose of basic EPS	**1,131,521,652**	1,090,242,853

Diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of diluted earnings per share are as follows:

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

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

No potential ordinary shares were excluded from the calculation of weighted average number of ordinary shares for the purpose of diluted earnings per share.

25. Notes to the statements of cash flows

(a) Reconciliation of cash and cash equivalents

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

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

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

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

(c) Non-cash financing and investing activities

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

26. Financial instruments

(a) Group risk management

The Group manages its capital to ensure that entities within the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the cash and equity balance. The Group's overall strategy remains unchanged from the previous financial period.

The Group has no debt and thus is not geared at year end or in the prior year. The capital structure consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital and reserves as disclosed in Notes 17 and 18. The Group operates in Australia, Jersey, Egypt, Burkina Faso, Cote d'Ivoire and Ethiopia. None of the Group's entities are subject to externally imposed capital requirements.

The Group utilises inflows of funds toward the ongoing exploration and development of the Sukari Gold Project in Egypt, and the exploration projects in Ethiopia, Burkina Faso and Cote d'Ivoire.

Categories of financial assets and liabilities:

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

(b) Financial risk management and objectives

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential risk adverse effects and ensure that net cash flows are sufficient to support the delivery of the Group's financial targets whilst protecting future financial security. The Group continually monitors and tests its forecast financial position against these objectives.

The Group's activities expose it to a variety of financial risks: market; commodity; credit; liquidity; foreign exchange; and interest rate. These risks are managed under Board approved directives through the Audit Committee. The

Group's principal financial instruments comprise interest bearing cash and cash equivalents. Other financial instruments include trade receivables and trade payables, which arise directly from operations.

It is, and has been throughout the period under review, Group policy that no speculative trading in financial instruments be undertaken.

(c) Market risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Australian dollar, Great British pound and Egyptian pound. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the entity's functional currency. Revenue is received in United States dollars. The risk is measured by regularly monitoring, forecasting and performing sensitivity analyses on the Group's financial position.

Financial instruments denominated in Great British pound, Australian dollar and Egyptian pound are as follows:

	Great British pound		Australian dollar		Egyptian pound	
	31 December 2014 US$'000	31 December 2013 US$'000	**31 December 2014 US$'000**	31 December 2013 US$'000	**31 December 2014 US$'000**	31 December 2013 US$'000
Financial assets						
Cash and cash equivalents	**127**	535	**7,405**	17,430	**1,246**	898
Available-for-sale assets	**390**	580	**19**	409	—	—
	517	1,115	**7,424**	17,839	**1,246**	898
Financial liabilities						
Trade and other payables	**1,492**	549	**18**	4,923	**3,339**	35,980
	1,492	549	**18**	4,923	**3,339**	35,980
Net exposure	**(975)**	566	**7,406**	12,916	**(2,093)**	(35,082)

The following table summarises the sensitivity of financial instruments held at the reporting date to movements in the exchange rate of the Great British and Egyptian pounds and Australian dollar to the United States dollar, with all other variables held constant. The sensitivities are based on reasonably possible changes over a financial period, using the observed range of actual historical rates.

	Impact on profit		Impact on equity	
	31 December 2014 US$'000	31 December 2013 US$'000	**31 December 2014 US$'000**	31 December 2013 US$'000
US$/GB£ increase by 10%	**4**	1	**(35)**	(53)
US$/GB£ decrease by 10%	**(4)**	(1)	**35**	53
US$/A$ increase by 10%	**(583)**	(1,144)	**(2)**	(29)
US$/A$ decrease by 10%	**583**	1,144	**2**	29
US$/E£ increase by 10%	**102**	3,003	—	—
US$/E£ decrease by 10%	**(102)**	(3,003)	—	—

The Group's sensitivity to foreign currency has decreased at the end of the current period mainly due to the decrease in foreign currency cash holdings in Australian dollars and a corresponding increase in US dollar cash holdings.

The Group has not entered into forward foreign exchange contracts. Natural hedges are utilised wherever possible to offset foreign currency liabilities. The Company maintains a policy of not hedging its currency positions and maintains currency holdings in line with underlying requirements and commitments.

(d) Commodity price risk

The Group's future revenue forecasts are exposed to commodity price fluctuations, in particular gold prices. The Group has not entered into forward gold hedging contracts.

(e) Interest rate risk

The Group's main interest rate risk arises from cash and short-term deposits and is not considered to be a material risk due to the short-term nature of these financial instruments. Cash deposits are placed on term period of no more than 30 days at a time.

The financial instruments exposed to interest rate risk and the Group's exposure to interest rate risk as at balance date were as follows:

	Weighted average effective interest rate %	One to Less than one month US$'000	One to twelve months US$'000	More than Twelve months US$'000	Total US$'000
31 December 2014					
Financial assets					
Variable interest rate instruments	**0.23**	**26,863**	**98,770**	—	**125,633**
Non-interest bearing	—	**25,325**	—	**23,750**	**49,075**
		52,188	**98,770**	**23,750**	**174,708**
Financial liabilities					
Variable interest rate instruments		—	—	—	—
Non-interest bearing		**34,042**	—	—	**34,042**
		34,042	—	—	**34,042**
31 December 2013					
Financial assets					
Variable interest rate instruments	0.49	6,228	99,086	—	105,314
Non-interest bearing	—	27,081	—	18,950	46,031
		33,309	99,086	18,950	151,345
Financial liabilities					
Variable interest rate instruments	—	—	—	—	—
Non-interest bearing	—	78,102	—	—	78,102
		78,102	—	—	78,102

(f) Liquidity risk

The Group's liquidity position is managed to ensure that sufficient funds are available to meet its financial commitments in a timely and cost effective manner.

Ultimate responsibility or liquidity risk management rests with the Board of Directors, who has established an appropriate management framework for the management of the Group's funding requirements. The Group manages liquidity risk by maintaining adequate cash reserves and management monitors rolling forecasts of the Group's liquidity on the basis of expected cash flow. The tables above reflect a balanced view of cash inflows and outflows and shows the implied risk based on those values. Trade payables and other financial liabilities originate from the financing of assets used in the Group's ongoing operations. These assets are considered in the Group's overall liquidity risk. Management continually reviews the Group liquidity position including cash flow forecasts to determine the forecast liquidity position and maintain appropriate liquidity levels.

	One to less than 1 month US$'000	One to twelve months US$'000	More than twelve months US$'000	Total US$'000
31 December 2014				
Financial assets				
Variable interest rate instruments	**26,863**	**98,770**	—	**125,633**
Non-interest bearing	**25,325**	—	**23,750**	**49,075**
	52,188	**98,770**	**23,750**	**174,708**
Financial liabilities				
Variable interest rate instruments	—	—	—	—
Non-interest bearing	**34,042**	—	—	**34,042**
	34,042	—	—	**34,042**
31 December 2013				
Financial assets				
Variable interest rate instruments	6,228	99,086	—	105,314
Non-interest bearing	27,081	—	18,950	46,031
	33,309	99,086	18,950	151,345
Financial liabilities				
Variable interest rate instruments	—	—	—	—

Non-interest bearing	78,102	—	—	78,102
	78,102	—	—	78,102

(g) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group measures credit risk on a fair value basis. The Group's credit risk is concentrated on one entity, but the Group has good credit checks on customers and none of the trade receivables from the customer has been past due nor have they been impaired. Also, the cash balances held in Australian dollars are held with a financial institution with a high credit rating. The gross carrying amount of financial assets recorded in the financial statements represents the Group's maximum exposure to credit risk without taking account of the value of collateral or other security obtained.

(h) Fair value

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective fair values, principally as a consequence of the short-term maturity thereof.

(i) Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

27. Share-based payments

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

Shares were issued to executive directors under the Executive Directors Loan Funded Share Plan EDLFSP 2011 and employees under the ELFSP as part of their remuneration package. Under the terms of the EDLFSP and ELFSP, the Company has provided a limited recourse and interest free loan to certain employees of the Company for the purpose of acquiring the New Shares (the "Loan"). The purchase of the shares has been funded by the Loan and the shares will not vest until certain performance conditions are met. In the event the performance conditions are not met, or the shares are forfeited by the participant, the Company can either re-acquire the shares or direct the trustee to sell them on, offsetting the proceeds against the outstanding loan amount and waiving the remainder of the loan. Subject to performance conditions and time based hurdles being met, the loan will be repayable by the relevant employee in full on the earlier of the termination date of the loan (three years from the date of issue) or the date on which the shares are disposed of. No options have been offered under the EDLFSP and ELFSP in 2012, 2013 or 2014.

Further details of the EDLFSP and ELFSP can be found in the Notice of General Meeting for the shareholder meeting held on Tuesday, 15 February 2011, and full copies of the plan are available upon request.

Further details of the performance conditions can be found in the remuneration report.

2011 Employee Option Scheme

Options were issued under the 2011 Employee Option Scheme ("EOS") made in accordance with thresholds set in plans approved by shareholders at the Extraordinary General Meeting of Shareholders on 14 December 2011. All employees of the Group other than directors are able to participate in the 2011 EOS. The Committee shall select

from time to time from such group the actual participants in the 2011 EOS. There are no current plans for options to be granted under the 2011 EOS.

The 2011 EOS provides for employees (other than directors) to receive up to an annual aggregate of options over ordinary shares, with an exercise price calculated by either the volume weighted average closing price of ordinary shares sold on an exchange for the five trading days most recently preceding the day as at which the market value is calculated or if market value is required to be determined in another manner or another amount for the purposes of tax legislation in another jurisdiction, then the value is so determined at the date of issue. The ability to exercise the options is conditional on the Group achieving its performance hurdles. For the initial grants to be made under the 2011 EOS it is the current intention that the performance criteria will be the TSR performance criteria as detailed in the 2011 Executive LFSP. Further details of the performance conditions can be found in the remuneration report. There are no outstanding awards under this plan and there is no current intention to use the plan.

Under the 2011 EOS the exercise price of the options is denominated in Great British pounds. All options expire on the earlier of their expiry date or termination of the individual's employment.

Deferred Bonus Share Plan

During the year the Company implemented a Deferred Bonus Share Plan ("DBSP") which is a long-term share incentive arrangement for senior management (but not executive directors) and other employees (participants). Under the DBSP, the Board shall, at its absolute discretion, require such eligible participants to defer up to one hundred per cent (100%) of their bonus opportunity and such eligible participants shall not be paid their deferred bonus in cash but shall instead be granted a Deferred Bonus Award over such number of shares provided that the eligible participant remains in employment on the date of grant (effectively the vesting date). The award of the deferred shares will not have any performance criteria attached. They will however be subject to a service period.

On 4 June 2013, the Group offered to both the beneficiaries of the shares awarded under the ELFSP and to the majority of the beneficiaries of the options granted under the EOS the choice to replace their awards and options with awards under the DBSP. The Group has accounted for this change as modifications to the share-based payment plans and will be recognising the incremental fair value granted, measured in accordance with IFRS 2, by this replacement over the vesting period of the new DBSP awards.

Under this offer, each participant has been granted a number of awards under the DBSP equivalent to the number of shares or options held under the ELFSP and EOS respectively. Such DBSP awards shall be subject to the terms and conditions of the DBSP and shall ordinarily vest in three equal tranches on the anniversary of the grant date, conditional upon the continued employment with the Group. All offers made to participants were accepted.

The total share-based payment charge relating to Centamin plc shares for the year is split as follows:

	31 December 2014 US$'000	31 December 2013 US$'000
2011 EOS	**68**	74
LFSP	**(15)**	596
DBSP	**2,440**	1,614
	2,493	2,284

No LFSP awards or EOS options were granted during the year.

The fair value of share-based payments awarded under the LFSP and granted under the 2011 EOS were measured by the use of the Black Scholes model where share-based payments have non-market based performance conditions. Where share-based payments are subject to market conditions, fair value was measured by the use of a Monte-Carlo simulation. The Monte-Carlo simulation has been used to model the Company's share prices against the performance of the chosen comparator group and the FTSE 250 at the relevant vesting dates.

The assumptions used in these are set out below:

	LFSP 2012	EOS 2012(1)	EOS 2012(1)	LFSP 2011	LFSP 2011	LFSP 2011
Date of grant	5 April	5 April	15 August	21 March	21 June	30 September
Series number	31-34	35-40	41-46	21-25	26-29	30
Number of instruments	5,100,000	750,000	800,000	8,742,500	825,000	400,000
Share price at date of grant (GB£)	0.6380	0.6380	0.6950	1.2590	1.1710	1.1710
Exercise price (GB£)	0.6754	0.6754	0.6823	1.2590	1.1710	1.1710
Vesting conditions(2)	1-3	1-3	1-3	1-3	1-3	1-3
Expected volatility (3)	51.67%	51.67%	51.48%	50.08%	47.05%	47.05%
Risk-free interest rate(4)	0.41%-0.52%	0.41%-0.52%	0.18%-0.25%	0.78%-1.65%	0.56%-1.13%	1.13%
Expected departures	0%	0%	0%	0%	0%	0%

Expected outcomes of meeting performance targets at grant date	100%	100%	100%	100%	100%	100%
FV at grant date (weighted average) (GB£)	0.2022	0.1300	0.1939	0.4364	0.3134	0.3842

(1) There were no options granted under the 2011 EOS during 2011.
(2) Variable vesting dependent on one to three years of continuous employment and, for certain series, market based performance conditions being achieved.
(3) The expected volatility of Centamin and each company in the chosen comparator group and the FTSE 250 Index Companies ("FTSE 250") has been calculated using approximately two years of historical price data.
(4) The expected rate of return used in the valuations for Centamin and other UK comparator companies was set to equal the UK government bond rate with a yield-to-maturity that is equivalent to the tenor of the options. When modelling the share price of Canadian comparator companies, the Canadian government bond rate was used.

Deferred share awards granted during the current and prior year:

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

(1) Awards granted on 4 June 2014.
(2) Variable vesting dependent on one to three years of continuous employment.
(3) The fair value of shares in the DBSP was calculated by using the closing share price on grant date, converted at the closing GB£:US$ foreign exchange rate on that day, no other factors were taken into account in determining the fair value.
(4) The incremental fair value of the shares awarded on 4 June 2013 under the DBSP were calculated by using the closing share price on grant date, converted at the closing GB£:US$ foreign exchange rate on that day less the fair value of the share-based payments awarded under the ELFSP and EOS immediately prior to the grant under the DBSP. No other factors were taken into account in determining the fair value of the shares awarded under the DBSP.
The fair value of the share-based payments awarded under the LFSP and granted under the 2011 EOS was measured by the use of the Black Scholes model where share-based payments have non-market based performance conditions. Where share-based payments are subject to market conditions, fair value was measured by the use of a Monte-Carlo simulation. The Monte-Carlo simulation has been used to model the Company's share prices against the performance of the chosen comparator group and the FTSE 250 at the relevant vesting dates.
The incremental fair value of the shares awarded on 4 June 2014 under the DBSP were calculated by using the closing share price on grant date, converted at the closing GB£:US$ foreign exchange rate on that day. No other factors were taken into account in determining the fair value of the shares awarded under the DBSP.

The following table reconciles the outstanding share options granted under the Employee Share Option Plan at the beginning and end of the reporting period:

	31 December 2014		31 December 2013	
	Number of options	**US$ Weighted average exercise price**	Number of options	US$ Weighted average exercise price
Balance at beginning of the period	—	—	—	—
Granted during the period	—	—	—	—
Expired/lapsed during the period	—	—	—	—
Exercised during the period	—	—	—	—
Balance at the end of the period	—	—	—	—
Exercisable at the end of the period	—	—	—	—

The following table reconciles the outstanding share options granted under 2011 Employee Option Scheme, at the beginning and end of the reporting period:

	31 December 2014		31 December 2013	
	Number of options	**US$ Weighted average exercise price**	Number of options	US$ Weighted average exercise price
Balance at beginning of the period	—	—	1,400,000	1.0716
Granted during the period	—	—	—	—
Expired/lapsed during the period	—	—	(600,000)	1.1136
Replaced with DBSP awards	—	—	(300,000)	1.1250
Cancelled and to be replaced with DBSP awards	—	—	(500,000)	1.1250
Exercised during the period	—	—	—	—
Balance at the end of the period	—	—	—	—
Exercisable at the end of the period	—	—	—	—

The following reconciles the outstanding share options granted under the EDLFSP and ELFSP at the beginning and end of the reporting period:

	31 December 2014		31 December 2013	
	Number of options	**US$ Weighted average exercise price**	Number of options	US$ Weighted average exercise price
Balance at beginning of the period	1,222,222	2.0758	10,137,222	1.5808
Granted during the period	—	—	—	—
Expired/lapsed/forfeited during the period	(1,222,222)	2.0758	(167,500)	1.5014
Replaced with DBSP awards	—	—	(8,747,500)	1.5228
Exercised during the period	—	—	—	—
Balance at the end of the period	—	—	1,222,222	2.0758
Exercisable at the end of the period	—	—	—	—

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

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

28. Key management personnel compensation

Key management personal are persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (executive or otherwise) of the Group.

The aggregate compensation made to key management personnel of the consolidated entity and the Company is set out below:

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

29. Related party transactions

(a) Equity interests in related parties

Equity interests in subsidiaries

Details of the percentage of ordinary shares held in subsidiaries are disclosed in Note 21.

Equity interests in associates and jointly controlled arrangements

Details of interests in joint ventures are disclosed in Note 23.

(b) Key management personnel compensation

Details of key management personnel compensation are disclosed above.

(c) Key management personnel equity holdings

The details of the movement in key management personnel equity holdings of fully paid ordinary shares in Centamin plc during the financial period are as follows:

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

31 December 2013	Balance at 1 January 2013[2]	Granted as remuneration (DBSP)	Received on exercise of options	Net other change[1]	Balance at 31 December 2013	Balance held nominally
J El‐Raghy	70,945,086	—	—	500,000	71,445,086	—
T Schultz	1,030,000	—	—	—	1,030,000	—
G Haslam	102,056	—	—	—	102,056	—
M Arnesen	15,000	—	—	—	15,000	—
M Bankes	90,000	—	—	30,000	120,000	—
K Tomlinson	—	—	—	—	—	—
P Louw	1,737,500	1,200,000	—	(1,200,000)	1,737,500	—
A Pardey	1,785,000	510,000	—	(510,000)	1,785,000	—
R Osman	—	600,000	—	—	600,000	—
H Brown	475,000	—	—	—	475,000	—
D Le Masurier	—	—	—	—	—	
L Gregory	—	—	—	—	—	
Y El‐Raghy	510,000	—	—	—	510,000	—
T Smith	—	—	—	—	—	—
L Sobey	—	300,000	—	—	300,000	—
A Davidson	—	—	—	—	—	—

(1) “Net other change” relates to the on market acquisition or disposal of fully paid ordinary share, including the forfeiture of shares awarded under the LFSP and DBSP and the replacement of awards under the ELFSP with shares awarded under the DBSP.
(2) includes shares held under LFSP/DBSP.

d) Key management personnel share option holdings

The details of the movement in key management personnel options to acquire ordinary shares in Centamin plc are as follows:

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

31 December 2013	Balance at 1 January 2013	Granted as remuneration	Exercised	Other changes	Balance at 31 December 2013	Balance vested during the financial period	Balance – vested and exercisable at 31 December 2013
J El-Raghy	—	—	—	—	—	—	—
T Schultz	—	—	—	—	—	—	—
G Haslam	—	—	—	—	—	—	—
M Arnesen	—	—	—	—	—	—	—
M Bankes	—	—	—	—	—	—	—
K Tomlinson	—	—	—	—	—	—	—
P Louw	—	—	—	—	—	—	—
A Pardey	—	—	—	—	—	—	—
R Osman	—	—	—	—	—	—	—
H Brown	—	—	—	—	—	—	—
D Le Masurier	—	—	—	—	—	—	—
L Gregory	—	—	—	—	—	—	—
Y El-Raghy	—	—	—	—	—	—	—
T Smith	—	—	—	—	—	—	—
L Sobey	—	—	—	—	—	—	—
A Davidson	500,000	—	—	(500,000)	—	—	—

Apart from the details disclosed in this note, no key management personnel has entered into a material contract with the Company or the economic entity since the end of the previous financial year and there were no material contracts involving key management personnel interests at year end.

e) Other transactions with key management personnel

The related party transactions for the year ended 31 December 2014 are summarised below:

Josef El-Raghy is a director and shareholder of El-Raghy Kriewaldt Pty Ltd ("El-Raghy Kriewaldt"). El-Raghy Kriewaldt provides office premises to the Company. All dealings with El-Raghy Kriewaldt are in the ordinary course of business and on normal terms and conditions. Rent and office outgoings paid to El-Raghy Kriewaldt during the period were A$57,898 or US$51,920 (31 December 2013: A$48,278 or US$45,600).

f) Transactions with the government of Egypt

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

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

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

h) Transactions with other related parties

Other related parties include the parent entity, subsidiaries, and other related parties.

During the financial period, the Company recognised tax payable in respect of the tax liabilities of its wholly owned subsidiaries. Payments to/from the Company are made in accordance with terms of the tax funding arrangement.

During the financial period the Company provided funds to and received funding from subsidiaries.

All amounts advanced to related parties are unsecured. No expense has been recognised in the period for bad or doubtful debts in respect of amounts owed by related parties.

Transactions and balances between the Company and its subsidiaries were eliminated in the preparation of consolidated financial statements of the Group.

30. Dividends per share

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

A dividend in respect of the year ended 31 December 2014 of 1.99 US cents per share, amounting to a total dividend of US$22,926,695 has been approved by the Board of Directors and is subject to shareholder approval at the annual general meeting on 18 May 2015. These financial statements do not reflect this dividend payable.

31. Subsequent events

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

As referred to in Note 20, subsequent to the year end the Group is involved in ongoing litigation in respect of both the price at which diesel fuel oil is supplied to the mine at Sukari and the validity of the 160km^2 exploitation lease.

As referred to in Note 30, subsequent to the year end the Board of Directors announced the approval of a final dividend for 2014 of 1.99 US cents per share, totaling US$22,911,770. Subject to shareholder approval at the annual general meeting on 18 May 2015, the final dividend will be paid on 29 May 2015 to shareholders on the register as of 24 April 2015.

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

NON-GAAP FINANCIAL MEASURES

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

(1) EBITDA

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

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

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

Reconciliation of profit before tax to EBITDA:

	Year ended 31 December 2014 before exceptional items US$'000	**Year ended 31 December 2014 including exceptional items[(1)] US$'000**	Year ended 31 December 2013 before exceptional items US$'000	Year ended 31 December 2013 including exceptional items[(1)] US$'000
Profit before tax	**144,096**	**81,562**	234,973	183,969
Finance income	**(410)**	**(410)**	(690)	(690)
Depreciation and amortisation	**84,232**	**84,232**	50,888	50,888
EBITDA	**227,918**	**165,384**	285,171	234,167

(1) Profit before tax, depreciation and amortisation and EBITDA includes an exceptional provision to reflect the removal of fuel subsidies (refer to Note 6 to the financial statements for further details).

(2) Cash cost per ounce calculation*:*

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

Reconciliation of cash cost per ounce:

		Year ended 31 December 2014 before exceptional items(1)	**Year ended 31 December 2014 including exceptional items[(1)]**	Year ended 31 December 2013 before exceptional items	Year ended 31 December 2013 including exceptional items[(1)]
Mine production costs (Note 6)	US$'000	**214,370**	**275,934**	184,608	237,738
Less: refinery and transport	US$'000	**(1,063)**	**(1,063)**	(921)	(921)
Cash costs	US$'000	**212,307**	**274,871**	183,687	236,817
Gold produced – total	(oz)	**377,261**	**377,261**	356,943	356,943
Cash cost per ounce	(US$/oz)	**565**	**729**	515	663

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

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

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

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

	Year ended 31 December 2014 US$'000	Year ended 31 December 2013 US$'000
Cash and cash equivalents (Note 25)	**125,659**	105,979
Bullion on hand (valued at the year end spot price)	**12,685**	10,853
Gold sales receivable (Note 9)	**24,057**	24,657
Available-for-sale financial assets (Note 14.1)	**409**	989
Cash and cash equivalents, bullion on hand, gold sales receivables and available-for-sale financial assets	**162,810**	142,478

GLOSSARY

AIF	Annual Information Form
AN	ammonium nitrate
ARE	Arab Republic of Egypt
Assay	qualitative analysis of ore to determine its components
Au	chemical symbol for the element gold
Board	the Board of Directors of the Group
CA	Concession Agreement
DBSP	Deferred Bonus Share Plan
Directors	the directors of the Board of Centamin plc
dump leach	a process used for the recovery of metal ore from typically weathered low- grade ore. Blasted material is laid on a slightly sloping, impervious pad and uniformly leached by the percolation of the leach liquor trickling through the beds by gravity to ponds. The metals are recovered by conventional methods from the solution
EDLFSP	Executive Director Loan Funded Share Plan
ELFSP	Employee Loan Funded Share Plan
EMRA	Egyptian Mineral Resource Authority
EOS	Employee Option Scheme
ESOP	Employee Share Option Plan
EGPC	the Egyptian General Petroleum Corporation
EMRA	Egyptian Resource Mineral Authority
EU IFRS	International Financial Reporting Standards as adopted by the European Union
FA	fatality
feasibility study	extensive technical and financial study to assess the commercial viability of a project
flotation	mineral processing technique used to separate mineral particles in a slurry, by causing them to selectively adhere to a froth and float to the surface
FRC	Financial Reporting Council

grade	relative quantity or the percentage of ore mineral or metal content in an ore body
g/t	gram per metric tonne
indicated resource	as defined in the JORC Code, is that part of a mineral resource which has been sampled by drill holes, underground openings or other sampling procedures at locations that are too widely spaced to ensure continuity but close enough to give a reasonable indication of continuity and where geoscientific data is known with a reasonable degree of reliability. An indicated mineral resource will be based on more data and therefore will be more reliable than an inferred resource estimate
inferred resource	as defined in the JORC Code, is that part of a mineral resource for which the tonnage and grade and mineral content can be estimated with a low level of confidence. It is inferred from the geological evidence and has assumed but not verified geological and/or grade continuity. It is based on information gathered through the appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability
IFRS	International Financial Reporting Standards
IOD	Institute of Directors
JORC	Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and the Minerals Council of Australia
LFSP	Loan Funded Share Plan
LTI	lost time due to injury
LTIFR	lost time injury frequency rate
material tailings	material that remains after all metals/minerals considered economic have been removed from the ore
MD&A	Management's Discussion and Analysis of the Financial Condition and Results of Operations
Mill	equipment used to grind crushed rocks to the desired size for mineral extraction
Mineralization	process of formation and concentration of elements and their chemical compounds within a mass or body of rock
Moz	million ounces
Mt	million tonnes
MTIF	Medical treatment injury frequency
Mtpa	million tonnes per annum
net production surplus or profit share	revenue less payment of the 3% royalty to Arab Republic of Egypt ("ARE") and recoverable costs
open pit	large scale hard rock surface mine
ore	mineral deposit that can be extracted and marketed profitably
ore body	mining term to define a solid mass of mineralised rock that can be mined profitably under current or immediately foreseeable economic conditions
ore reserve	the economically mineable part of a Measured or Indicated mineral resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could be reasonably justified. Ore reserves are sub- divided in order of increasing confidence into Probable and Proven
ounce or oz	troy ounce (= 31.1035 grams)
PGM	Pharaoh Gold Mines NL
Probable	measured and/or indicated mineral resources which are not yet proven, but where technical economic studies show that extraction is justifiable at the time of the determination and under specific economic conditions
Production	total attributable gold production, as stated throughout this document, is comprised of 100% of production from the Group's subsidiaries
Proven	measured mineral resources, where technical economic studies show that extraction is justifiable at the time of the determination and under specific economic conditions
Recovery	proportion of valuable material obtained in the processing of an ore, stated as a percentage
Resource	concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such a form that there are reasonable prospects for eventual economic extraction. The location, quantity, grade geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral resources are subdivided into Inferred, Indicated and Measured categories
ROM	run of mine
SGM	Sukari Gold Mining Co.
Stockpile	an accumulation of ore or mineral formed to create a reserve for loading or when demand slackens or when the process plant is unequal to handling mine output
strip ratio	the unit amount of spoil or waste that must be removed to gain access to a similar unit of ore or mineral

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This document contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of Centamin plc ('Centamin' or 'the Company'), its subsidiaries (together 'the Group'), affiliated companies, its projects, the future price of gold, the estimation of mineral reserves and mineral resources, the realization of mineral reserve and resource estimates, the timing and amount of estimated future production, revenues, margins, costs of production, estimates of initial capital, sustaining capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, foreign exchange risks, governmental regulation of mining operations and exploration operations, timing and receipt of approvals, consents and permits under applicable mineral legislation, environmental risks, title disputes or claims, limitations of insurance coverage and regulatory matters. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative variations) of such words and phrases, or may be identified by statements to the effect that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved.

Forward-looking statements involve known and unknown risks, uncertainties and a variety of material factors, many of which are beyond the Company's control which may cause the actual results, performance or achievements of Centamin, its subsidiaries and affiliated companies to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Readers are cautioned that forward-looking statements may not be appropriate for other purposes than outlined in this document. Such factors include, among others, future price of gold; general business, economic, competitive, political and social uncertainties; the actual results of current exploration and development activities; conclusions of economic evaluations and studies; fluctuations in the value of the U.S. dollar relative to the local currencies in the jurisdictions of the Company's key projects; changes in project parameters as plans continue to be refined; possible variations of ore grade or projected recovery rates; accidents, labour disputes or slow-downs and other risks of the mining industry; climatic conditions; political instability, insurrection or war, civil unrest or armed assault; labour force availability and turnover; delays in obtaining financing or governmental approvals or in the completion of exploration and development activities; as well as those factors referred to in the section entitled "Risks and Uncertainties" section of the Management discussion & analysis. The reader is also cautioned that the foregoing list of factors is not exhausted of the factors that may affect the Company's forward-looking statements.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this document and, except as required by applicable law, the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

QUALIFIED PERSON AND QUALITY CONTROL

Information of a scientific or technical nature in this document was prepared under the supervision of Andrew Pardey, BSc. Geology, Chief Operating Officer of Centamin plc and a qualified person under the Canadian National Instrument 43-101.

Refer to the technical report entitled "Mineral Resource and Reserve Estimate for the Sukari Gold Project, Egypt" dated 30 January 2014 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.