For immediate release 27 March 2013

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

2012 Annual Results

Centamin is pleased to announce its audited annual results for the period ended 31 December 2012.

HIGHLIGHTS FOR THE YEAR (1) (2) (3)

Centamin delivered strong operational and financial results in 2012, producing 262,828 ounces of gold (2011: 202,699 ounces) and generating profit after tax for the year of US$199 million (2011: US$194.0 million). Through the Group's emphasis on rigorous cost control, Centamin has continued to reap the benefits of the high gold price, and this was enhanced further by its debt-free and unhedged position. Now in its third year of production, the Sukari Gold Mine is highly cash generative, providing EBITDA of US$233.3 million (2011: US$211.4 million), a 10% increase on 2011, and a robust cash and cash equivalents balance of US$147.1 million (2011: US$164.2 million) as at 31 December 2012.

2012 presented some operating environment challenges, however a solid second quarter and a record fourth quarter of production have shown that a substantially larger production profile is achievable for Sukari. This potential for production growth combined with the Group's reserves, a significant expansion programme, a solid financial position, and an experienced team means Centamin is well positioned for 2013, as is shown by the following:

- Basic earnings per share 18.27 cents, up 2% on prior year.
- Record EBITDA US$233.3 million, up 10% on the prior year.
- Full year production was 262,828 ounces, a 30% increase on 2011 and above guidance of 250,000 ounces.
- Cash costs of production of US$669 per ounce (equivalent to US$530 per ounce versus US$556 per ounce in 2011 at subsidized fuel prices).
- Stage 4 plant expansion (to 10Mtpa) commissioning activities began in Q1 2013 with the new power station commissioned in January 2013 and new blowers and compressors to be commissioned in Q2 2013. The bulk of commissioning will commence, and be complete, in the second half of 2013. Expenditure to date is US$228.5 million of the total forecast US$325 million including contingency.
- Centamin remains debt-free and unhedged with cash, bullion on hand, gold sales receivable and available-for-sale financial assets of US$219.4 million as at 31 December 2012.
- Drilling continued at the V-Shear porphyry and commenced at the Kurdeman prospect.
- A gravity survey, aimed at targeting and defining porphyries beneath the wadi sediments was completed late in 2012 with results due in Q2 2013.
- Results in Ethiopia confirm the existence of low grade mineralisation, with drilling continuing.

During the year Centamin was involved in two separate court cases directly relevant to the operation of the mine at Sukari. The first of these was triggered by a decision taken by the Egyptian General Petroleum Company (EGPC) to charge international prices, not local (subsidised) prices for the supply of Diesel Fuel Oil ("DFO"). The second case saw a judgment by an Egyptian Administrative Court in relation to the validity of the Company's 160km^2 exploitation lease; although 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. Both of these cases are described in detail elsewhere in this report (refer to Note 20 to the Financial Statements). Every action is being taken to contest the decisions, including the making of formal legal appeals and, although their resolution may take some time, we remain confident that a satisfactory outcome will ultimately be achieved. With respect to the DFO case, management however recognises the practical difficulties associated with re-claiming funds from the government and, for this reason, have fully provided against the prepayment of US$41.4 million as an exceptional item (refer to Note 6 to the Financial Statements). In the meantime the Group is continuing to pay international prices for DFO.

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

(1) Cash cost of production, EBITDA and cash, bullion on hand and available-for-sale financial assets are non-GAAP measures. For further information and a detailed reconciliation refer to the "Non-Gaap Financial Measures" at the end of the Financial Statements.
(2) Basic EPS, EBITDA, Cash costs of Production reported includes an exceptional provision against prepayments recorded in Q4 to reflect the removal of fuel subsidies which occurred in January 2012 (refer to Note 6 of the Financial Statements for further details). The provision had no impact on the 2011 results.
(3) Historic cash cost of production, EBITDA and Basic EPS now reflect adoption of IFRIC 20 (refer to Note 3 of the Financial Statements for further details).

Centamin will host a conference call on Wednesday, 27 March at 8.00am (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.

From UK: 08082380673 Canada: +18664949885 Rest of world: +44 (0) 1452 569335
Participant pass code: 24856273

A second call (Q&A only) will be held for North American analysts and investors at 2.00pm (London, UK time) / 9.00am EST. Participants may join the call by dialling one of the following three numbers, approximately 10 minutes before the start of the call.

From Canada: +18664949885 US: +18666551591 Rest of world: +44 (0) 1452 569335
Participant pass code: 24859029

STRATEGIC REVIEW

Our growth strategy seeks to optimise exposure through the mining value chain: exploration, development and operations. Whilst disciplined and sustainable growth on our existing projects remains a key focus, we continue to evaluate potential opportunities to grow through the acquisition of projects which offer the potential for the Company to realise strong investment returns.

2013 will mark the year when the Stage 4 plant expansion is commissioned, the Sukari project concludes its investment phase and our annual capital expenditure requirements for the mine begin to reduce significantly.

Based on the Company's calculation there was no 'Net Profit Share' due to EMRA as at 30 June 2012, nor is any likely to be due as at 30 June 2013. Furthermore, it is expected that there will be profit share due to EMRA for the SGM financial year ending 30 June 2014, based on production, gold price and operating expense forecasts. Following discussions with EMRA and with a view to demonstrating goodwill toward the Egyptian government, an advance payment has been made subsequent to year end to the value of US$8.2 million.

Maintaining our Social License

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.

In 2012 we nurtured dialogue, maintained open channels of communication and built positive and constructive relations with all our stakeholders including the community in areas in which we operate. The Board approved principles and strategies for the pursuit of corporate sustainable development (CSD) initiatives.

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. Unfortunately, however, we had two strikes at Sukari during the year. The first was a legal strike and was settled on the basis of a broad and above-inflation increase in employee allowance payments. The second strike was illegal, involving only a small element of our work force, and was settled with no pay increases and with the help of the Ministry of Labour. These disputes are set against a background of multiple and prolonged industrial disputes in many quarters of the Egyptian economy.

Targets for 2013

For the year 2013, we project production of 320,000 ounces at a cash operating cost of US$700 per ounce, at international fuel prices, which will mark the third year of successive growth in output from Sukari, and another step on the way to our long-term target for the project of 450-500,000 ounces per annum from 2015 onwards at an industry-competitive cost of production. The key drivers of production growth this year will be a continued period of elevated head grades from both the open pit and underground mines and increasing the underground ore tonnes mined to 500,000t, as well as commissioning of the Stage 4 plant expansion to double the processing plant's nameplate capacity to 10 million tonnes per annum.

Although construction of Stage 4 was steady during the first half of 2012, the second half saw an impact from strikes at Sukari, in some of the ports and at some of the local Egyptian suppliers, as well as temporary disruptions to the operation's fuel supply and gold exports, hence our in-country working capital position. This translated to delivery delays for key items, materials and services and thus a delay to the anticipated commissioning of the expanded plant, the bulk of which is now expected to commence in the second half of 2013 and with completion before the end of the year. As part of the implementation of Stage 4 the Company is in discussions with EMRA and other government departments in relation to securing the necessary permits to increase daily ammonium nitrate ("AN") consumption and blasting accessories in order to increase open pit mining rates to the required level to feed the expanded plant. This process is expected to be completed during the year.

The capital expenditure programme for 2013 has two key focus areas: completion of the Stage 4 plant expansion and the on-going development of the underground mine. The total Stage 4 capital expenditure estimate is US$325 million including contingency, with US$228.5 million spent by the end of 2012 and the bulk of the remaining capital expenditure due in 2013. The budget for the underground expansion is US$20 million and will take the new decline ("Ptah") to its target depth below the existing area of operation. Underground drilling will continue to test the potential for significant resource and reserve expansion and the development of multiple production sources.

CHAIRMAN'S STATEMENT

Dear Shareholders

2012 represented the third full year of production at Sukari, a period in which your company further extended its track record of successive annual production growth. The operation delivered a record 262,828 ounces of gold at a cash cost of production of US$669 per ounce, which was ahead of guidance of 250,000 ounces at US$700 per ounce (with fuel at international prices) set out at the beginning of the year. The operating team in Egypt deserve immense credit for this performance in a year where challenges were again presented and overcome. The ability to perform well in all circumstances is key to a successful operation, particularly one that is growing as rapidly as Sukari, and shareholders should take comfort from the team's demonstrated ability to deliver growth, whilst maintaining a strong emphasis on rigorous cost control.

Sukari's safety performance was also a significant improvement on the previous year with a lost time injury frequency rate of 0.69 per 200,000 man-hours achieved during the period. It was again pleasing to note that no significant environmental incidents have taken place.

The Stage 4 expansion to double the processing plant's nameplate capacity to 10 million tonnes per annum is the key to the next stage of output growth and delivery of our stated long-term production target for Sukari of 450-500,000 ounces per annum from 2015 onwards. The construction team made great inroads through 2012 on what is a major construction effort, which continued to be funded out of the proceeds of production at Sukari. Although construction was steady during the first half of the year, the second half saw an impact from strikes, both at Sukari and within the local supply chain, and also disruptions to gold exports and hence our in-country working capital position. This translated to delivery delays for key items, materials and services, with the effect that the bulk of commissioning will commence in the second half of 2013 and be complete before year end. The capital cost estimate of the Stage 4 expansion which is funded by PGM out of cost recoveries, is US$325 million including contingency, with expenditure at the end of 2012 of US$228.5 million.

Production growth was complemented by continued drilling of Sukari Hill from both surface and underground, with the aim of replenishing and increasing the resource and reserve base, and an update resource and reserve statement will be delivered in the second half of 2013. The expanding underground development in particular provides increasing drilling access to the northern and depth extents of the deposit.

Exploration activities continued on the seven other prospects in the 160km^2 Sukari exploitation lease within trucking distance of the Sukari plant. The first significant signs of low grade porphyry away from Sukari Hill were identified at the V-Shear prospect and work continues to determine the extents and controls on this mineralisation. Elsewhere, on-going drilling at the Kurdeman prospect offers the potential to fast-track high grade ore to supplement the existing underground production. Further regional drilling of the Sukari licence is planned for 2013.

Drilling in Ethiopia continued on our four exploration licences in the north of the country. Centamin intends to continue to grow and diversify its project pipeline through targeted acquisitions of exploration and development prospects in the region and beyond.

Despite the negative effect of having to pay higher costs for fuel for much of 2012, costs that were incurred as direct consequence of a decision taken by EGPC, which we are robustly contesting in Court, financially, our position remains strong with approximately US$220 million held in cash, bullion, gold sales receivables and available-for-sale financial assets, no debt and no hedging. With revenues of US$426 million and a profit for the year of US$199 million, Sukari continued to demonstrate in 2012 that it remains highly cash generative and well placed to fund its growth from cost recoveries. We have exited the year as we had planned with a strong cash position and having made a significant investment and progress toward completing Stage 4. Completion of Stage 4 will mark the end of a major expansion and investment programme at Sukari.

Our appeal against the 30 October 2012 ruling by the Egyptian Administrative Court, which we believe is based on an incorrect assertion that there was a lack of evidence with respect to our exploitation lease at Sukari, remains on-going. Very importantly on 20 March 2013 the Supreme Administrative Court approved our application to suspend enforcement of the 30 October ruling until the conclusion of the appeal process and this will allow operations at Sukari to continue whilst the court process runs its course. We have full confidence in our legal title and our appeal case and also highlight the separate supporting appeals lodged by the Ministry of Petroleum and the Egyptian Mineral Resource Authority (EMRA). It is our belief that this re-enforces the government's publicly-stated view that the terms of our Concession Agreement are fair and that Centamin's continued investment and operation at Sukari are both necessary and welcome. I would like to thank the Minister of Petroleum and EMRA for standing by us throughout the year and I look forward to the continued co-operation as we deliver on our stated goals.

I would like to close by thanking all those at Sukari, in Alexandria, London, Jersey and Perth for their efforts in 2012 as Centamin continued on its journey to becoming an established gold producer. In a year where there were many events that required your Board's attention it was a year that the depth, professionalism and dedication of your Non-Executive Directors came to the fore. I would like to thank deeply the Board for their counsel.

Despite and because of the challenges that we have faced in 2012, your company remains well positioned to deliver outstanding growth and shareholder returns in the coming years. I look forward to updating you further over the course of 2013 either at our AGM, which this year will be held in Jersey on 23 May, or at our presentation to shareholders that will be held in London on 16 May.

Josef El-Raghy
Chairman

OPERATIONAL REVIEW

Production

Sukari Gold Mine production summary:

		Year ended 31 Dec 2012	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Year ended 31 Dec 2011	Q4 2011
Ore Mined – Open Pit[1]	('000t)	6,377	1,905	1,653	1,816	1,003	6,306	1,988
Ore Grade Mined – Open Pit	(Au g/t)	1.04	1.15	1.00	1.07	0.83	1.07	1.12
Ore Grade Milled – Open Pit	(Au g/t)	1.35	1.56	1.34	1.19	1.21	NR	NR
Total Open Pit Material Mined	('000t)	25,108	6,740	6,970	6,579	4,819	21,248	7,701
Strip Ratio	(waste/ore)	2.9	2.5	3.2	2.6	3.8	2.34	2.9
Ore Mined – Underground Development	('000t)	203	63	40	53	47	172	45
Ore Mined – Underground Stopes	('000t)	190	49	53	63	25	40	25
Ore Grade Mined – Underground	(Au g/t)	8.96	9.76	9.01	8.68	8.11	13.51	13.31
Ore Processed	('000t)	4,526	1,233	1,004	1,269	1,020	3,612	1,066
Head Grade	(g/t)	2.04	2.31	2.10	1.99	1.69	1.91	2.02
Gold Recovery	(%)	86.0	87.7	86.7	84.3	85.0	85.30	84.0
Gold Produced – Dump Leach	(oz)	6,686	1,848	1,617	1,318	1,903	10,664	2,302
Gold Produced – Total[2]	(oz)	262,828	85,413	60,922	67,422	49,071	202,699	58,965
Cash Costs of Production[3] [4]	(US$/oz)	669	558	724	729	717	556	560
Open Pit Mining	(US$/oz)	199	163	243	250	203	NR	NR
Underground Mining	(US$/oz)	49	43	36	52	53	NR	NR
Processing	(US$/oz)	354	281	378	369	385	NR	NR
G&A	(US$/oz)	67	71	67	58	76	NR	NR
Gold Sold	(oz)	254,959	82,316	60,794	60,751	51,098	214,763	56,513
Average Realised Sales Price	(US$/oz)	1,667	1,697	1,680	1,599	1,683	1,555	1,666

Notes:-

(1) Ore mined includes 0kt delivered to the dump leach in Q4 2012 (11kt @ 0.48g/t in Q3 2012; 104kt @ 0.50g/t in Q2 2012; 264kt @ 0.42g/t in Q1 2012; 473kt @ 0.48g/t in Q4 2011; 977kt @ 0.55g/t in Q3 2011; 224kt @ 0.5g/t in Q2 2011 and 435kt @ 0.6g/t in Q1 2011). Ore mined in Q4 2011 includes 472,568t @ 0.48g/t delivered to the dump leach. 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 refer to the "Non-Gaap Financial Measures" at the end of the Financial Statements.

(4) Historic Cash costs of Production now reflect adoption of IFRIC 20 and an an exceptional provision against prepayments recorded in Q4 to reflect the removal of fuel subsidies which occurred in January 2012 (refer to Notes 3 and 6 respectively of the Financial Statements for further details). The historic cash costs have been presented for comparative purposes to reflect the fuel price differential had the prepayments been expensed during the year (refer to Note 6 of the Financial Statements for further details). The provision had no impact on the 2011 results.

NR – Not Reported.

Centamin produced 262,828 ounces of gold in 2012, which is a 30% increase on 202,699 ounces in 2011. The higher year-on-year production was a result of: (a) a 25% increase in tonnes milled (to 4.5Mt) due to the improved plant productivity and availability, (b) an 18% increase in production from the underground due to improved underground mining contractor equipment availability, and (c) a 7% higher feed grade to the mills (2.04g/t in 2012 compared to 1.91g/t in 2011) as underground and open pit head grades increased in line with the budget.

Open Pit

The open pit delivered total material movement of 25,108kt for the year, an increase of 18% on the prior year, although impacted by stoppages in December due to a temporary disruption to the fuel supply.

Ore production from the open pit was 6.4Mt at 1.04g/t with an average head grade fed to the plant of 1.35g/t. The ROM ore stockpile balance increased by 1kt to 722kt by the end of the year. Mining was primarily from the Stage 2 area, with the completion of Stage 2A and Stage 2B down to the 1040RL and 1016RL respectively. In Stage 3 development work progressed in the Gazelle area and the new face shovel commenced in the Eastern Hills area of Stage 3.

Underground Mine

Ore production from the underground mine was 393kt. The ratio of ore from stoping versus development decreased during the year, with 52% of development ore (203kt) and 48% of stoping ore (190kt). Production from stoping was affected by the availability of the teleremote bogging system in quarters three and four, which was offset by increased ore deliveries from development as a result of an increased development effort.

A total of 2,934.8m of diamond drilling was completed for both short-term stope definition and underground resource development, of which 2,532m were driven through ore. The project development total to date is 10,248m, of which 5,414m were through ore.

Development of the Ptah Decline had reached the position of the first drill cuddy and was connected to the exhaust system by the end of 2012. The anticipated first-phase capital cost of the Ptah Decline is US$18 million, with expenditure to date of US$17.5 million, which will see the decline reach the first ore blocks to be developed below the middle of Sukari Hill. It is expected that this initial development work will be complete in early 2013.

Processing

The annual throughput in the Sukari plant was 4.5Mt in 2012, a 25% increase on 2011 (3.6Mt). Industrial disputes affected availability during the first and third quarters although the nameplate rate of 5Mtpa was achieved in the second and fourth quarters. Productivity of the processing plant averaged 656tph for the year, 5% above the nameplate design rate of 625tph, as the operations team continued to optimise availability and throughput.

Plant metallurgical recoveries were 86.0% in the year, a 1.0% increase on 2011. Tighter operational controls and improved circuit stability resulted in the recovery steadily increasing throughout the year. Whilst operational improvements continue to have some impact, recoveries are expected to remain consistent until the new carbon regeneration kiln is commissioned in 2013.

The dump leach operation produced 6,686oz in 2012, a 37% decrease from 2011.

Fuel Costs

In light of the on-going dispute with the Egyptian Government regarding the price at which Diesel Fuel Oil is supplied to the mine at Sukari, it has been necessary since January 2012 to advance funds to our fuel supplier, Chevron, based on the international price for diesel. Management however have fully provided against the prepayment of US$41.4 million, as an exceptional item, during Q4. Refer to Note 6 of the Financial Statements for further details on the impact of this exceptional provision on the Group's results for 2012. For comparative

purposes, had these prepayments been expensed during the year, the fuel cost differential would have had the following impact on the cash costs: the cash costs for Q1 increased by US$108 to US$717 per ounce, Q2 increased by US$164 per ounce to US$729 per ounce, Q3 increased by US$185 to US$724 per ounce and Q4 increased by US$112 to US$558 per ounce.

As noted previously, the Company has commenced proceedings in the Administrative Court in Egypt in relation to this matter. The Company remains of the view that an instant move to international fuel prices is not a reasonable outcome and will look to recover any funds advanced thus far at the higher rate should the court proceedings be successfully concluded. Please refer to Note 20 to the Financial Statements for further information.

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

STAGE 4 EXPANSION

Construction continued on Stage 4 of the process plant expansion, which commenced in late 2011, which will expand Sukari nameplate capacity from 5Mtpa to 10Mtpa. The estimated capital cost of the Stage 4 expansion which is funded by PGM out of cost recoveries, is US$325 million including contingency, with expenditure to date of US$228.5 million.

Some unforeseen delays have meant that commissioning of the plant is now expected to commence in the second half of 2013 (previously the bulk of commissioning was expected in Q2 2013) and be complete by year end. These delays have been caused by:

- strikes at Sukari, in some of the ports and at some of the local suppliers, and
- suspension of operations at Sukari due to lack of fuel and a temporary prohibition of gold exports, resulting in delays for critical path items, materials and services

Main Plant

Detail engineering of the main plant is complete and 85% of the mechanical equipment has now arrived on site. All major civil works have been completed, the erection of structural steel and installation of mechanical equipment is in progress. Procurement of electrical equipment, cables and instrumentation is proceeding and the piping contractor is mobilising to site. Installation of both sag and ball mills is in progress, however late arrival of structural steel is impacting on the schedule in this area.

Power Station

The fifth MAK engine has been installed, commissioned and is fully operational in the existing plant. The new Wartsila plant has been completed, load bank commissioned and is ready to operate, although the cables to the new plant still have to be installed.

Sea Water Pipeline

Excavation of the trench for the new pipeline has been completed. Welding and installation of the pipe is continuing, approximately 50% is complete. Construction of the booster station is proceeding with most of the civil work completed. Delivery of the intake and booster pumps is scheduled to take place in April and May.

Tailings Storage Facility

Construction of the embankment is 100% complete and installation of the HDPE liner has commenced.

New Primary Crusher

Excavation has been completed and construction of the crusher building is 20% complete. Some delays with cement deliveries have been experienced due to diesel shortages in Egypt.

Capital Expenditure

A breakdown of the major cost areas up to 31 December 2012 is as follows:

• Mining Equipment	US$ 34.9 million
• Processing Plant	US$ 115.5 million
• Power Plant	US$ 43.5 million
• Other	US$ 34.6 million
	US$ 228.5 million

Major contributors to the payments made in 2012 were as follows:

• Mining Equipment	US$ 28.9 million
• Processing Plant	US$ 85.2 million
• Power Plant	US$ 32.5 million
• Other	US$ 29.3 million
	US$ 175.9 million

EXPLORATION UPDATE

Sukari Hill

Centamin has resources (inclusive of production since 30 September 2011) of 13.13 million ounces Measured and Indicated, and 2.3 million ounces Inferred, and reserves (inclusive of production since 31 December 2011) of 10.1 million ounces. Underground drilling was progressively stepped-up during the year 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 by drilling to the north, or at depth. Further exploration of the Sukari deposit will take place during 2013, predominantly from both the Amun and Ptah declines.

We aim to provide an updated resource and reserve statement during the second half of 2013.

Regional Exploration

Geochemistry, reverse circulation and diamond drilling programmes have been underway on the Quartz Ridge and V-Shear prospects to the east and north-east of the hill respectively during 2012. The first significant signs of low grade porphyry away from Sukari Hill were identified at the V-Shear prospect. On-going drilling to the south at the Kurdeman prospect offers the potential to fast-track near surface high grade ore to supplement the existing production. Further regional drilling of the Sukari licence is planned for 2013.

A gravity survey, aimed at targeting and defining porphyries beneath the wadi sediments, was completed in late 2012 with results due in early 2013.

Growth Beyond Sukari

Centamin continued exploration on its four tenements in northern Ethiopia where drilling commenced in the first half of 2012. Results to date have confirmed the presence of mineralisation and follow-up drilling continues.

We will continue to grow and diversify our asset base through targeted acquisitions in this region and beyond in the coming years.

SELECTED ANNUAL FINANCIAL INFORMATION

The following table, which is reflective of an exceptional provision against prepayments recorded in Q4 to reflect the removal of fuel subsidies which occurred in January 2012 (refer to Note 6 of the Financial Statements), provides a guide to a summary of the financial results of the Group's operation for the years ended 31 December 2012, 2011 and the period ended 31 December 2010:

Summary of Financial Performance

		2012	**2011***	**2010** [4]	**2012 vs 2011**	**2012 vs 2011**	**2011 vs 2010**	**2011 vs 2010**
Revenue	US$'000	426,133	340,479	86,882	85,654	25%	253,597	292%
Profit before tax	US$'000	198,594	193,993	32,042	4,601	2%	161,952	505%
Basic EPS (cps) [2]	Cents	18.27	17.90	3.10	0.37	2%	14.8	477%
Diluted EPS (cps) [2]	Cents	18.26	17.88	3.09	0.38	2%	14.79	479%
EBITDA [3]	US$'000	233,333	211,347	52,782	21,986	10%	158,565	300%
Total assets	US$'000	1,084,956	846,572	640,832	238,384	28%	205,740	32%
Non -current liabilities	US$'000	5,544	2,630	2,624	2,914	111%	6	1%
Cash Dividend declared	Cents	-	-	-	-	-	-	-

(1) Results now reflect an exceptional provision against prepayments recorded in Q4 to reflect the removal of fuel subsidies which occurred in January 2012, refer to Note 6 of the Financial Statements for further details. The provision had no impact on the 2011 results.

(2) Calculated using weighted average number of shares outstanding under the basic method.

(3) EBITDA is a non-GAAP financial performance measure with no standard meaning under IFRS. For further information and a detailed reconciliation, see "Non-GAAP Financial Measures" section below.

(4) This column shows data for the financial period immediately prior to the year ended 31 December 2011, which was a short period of six months ended on 31 December 2010, due to the company changing its year end from June to December.

** The Group changed its accounting policy on production-phase stripping costs with effect from 1 January 2012. As a result, the 2011 results have been restated. Refer to Note 3 of the Financial Statements for further details.*

RESULTS OF OPERATIONS

The Group recorded net profit before tax for the year ended 31 December 2012 of US$198.6 million (2011: US$194.0 million). The increase is driven by higher volumes of gold sold, higher gold prices obtained and lower costs due to management's rigorous cost control offset by the inclusion of an exceptional provision against prepayments recorded in Q4 to reflect the removal of the fuel subsidy which occurred in January 2012 (refer to Note 6 of the Financial Statements).

Set out below are the audited consolidated Financial Statements for the Group, including notes thereto, for the year ended 31 December 2012. The independent auditors report on these Financial Statements was unmodified and contained an emphasis of matter paragraph relating to the significant uncertainty over the Concession Agreement court case referred to above and in Note 20.

Consolidated Statement of Comprehensive Income
for the year ended 31 December 2012

	Note	31 December 2012			31 December 2011[2]
		Before Exceptional items US$'000	**Exceptional Items [1] US$'000**	**Total US$'000**	**Restated US$'000**
Revenue	5	426,133	-	426,133	340,479
Cost of sales	6	(169,814)	(33,118)	(202,932)	(128,202)
Gross profit		256,319	(33,118)	223,201	212,277
Other operating costs		(25,505)	-	(25,505)	(19,572)
Finance income	6	898	-	898	1,288
Profit before tax	6	231,712	(33,118)	198,594	193,993
Tax	7	444	-	444	-
Profit for the year attributable to the Company		232,156	(33,118)	199,038	193,993
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Losses on available for sale financial assets (net of tax)		(2,804)	-	(2,804)	(3,957)
Other comprehensive income for the year		(2,804)	-	(2,804)	(3,957)
Total comprehensive income attributable to the Company		229,352	(33,118)	196,234	190,036
Earnings per share:					
Basic (cents per share)	24	21.305	(3.039)	18.266	17.900
Diluted (cents per share)	24	21.299	(3.038)	18.261	17.881

[1] *Refer to Note 6 for further details.*

[2] *The Group changed its accounting policy on production-phase stripping costs with effect from 1 January 2012. As a result, the 2011 results have been restated. Refer to Note 3 for further details.*

Consolidated Statement of Financial Position
As at 31 December 2012

		31 December 2012 US$'000	31 December 2011 US$'000	Change in accounting policy Note 3 US$'000	31 December 2011 Restated US$'000
NON-CURRENT ASSETS					
Property, plant and equipment	12	747,571	532,727	9,169	541,896
Exploration and evaluation asset	13	45,669	31,113	-	31,113
Available-for-sale financial assets	14.1	5,613	1,831	-	1,831
Interests in associates	14.2	3,132	3,296	-	3,296
Total non-current assets		801,985	568,967	9,169	578,136
CURRENT ASSETS					
Inventories	10	94,636	69,751	2,880	72,631
Trade and other receivables	9	40,736	29,998	-	29,998
Prepayments	11	466	1,576	-	1,576
Cash and cash equivalents	25	147,133	164,231	-	164,231
Total current assets		282,971	265,556	2,880	268,436
Total assets		1,084,956	834,523	12,049	846,572
NON-CURRENT LIABILITIES					
Provisions	16	5,544	2,630	-	2,630
Total non-current liabilities		5,544	2,630	-	2,630
CURRENT LIABILITIES					
Trade and other payables	15	54,606	24,509	-	24,509
Tax liabilities	7	-	444	-	444
Provisions	16	4,962	717	-	717
Total current liabilities		59,568	25,670	-	25,670
Total liabilities		65,112	28,300	-	28,300
				-	
Net assets		1,019,844	806,223	12,049	818,272
EQUITY					
Issued capital	17	612,463	608,596	-	608,596
Share option reserve	18	3,477	2,006	-	2,006
Other reserves	18	-	-	-	-
Accumulated profits		403,904	195,621	12,049	207,670
Total equity		1,019,844	806,223	12,049	818,272

Consolidated Statement of Changes in Equity
for the year ended 31 December 2012

	Issued Capital US$'000	Other reserves US$'000	Share options reserve US$'000	Accumulated profits US$'000	Total US$'000
Balance as at 1 January 2012	608,596	-	2,006	195,621	806,223
Change in accounting policy*	-	-	-	12,049	12,049
As restated	608,596	-	2,006	207,670	818,272
Profit for the year	-	-	-	199,038	199,038
Other comprehensive loss for the year	-	-	-	(2,804)	(2,804)
Total comprehensive income for the year	-	-	-	196,234	196,234
Issue of shares under LFSP	3,367	-	-	-	3,367
Recognition of share based payments	-	-	1,981	-	1,981
Transfer from share options reserve	510	-	(510)	-	-
Share issue costs	(10)	-	-	-	(10)
Balance as at 31 December 2012	612,463	-	3,477	403,904	1,019,844

	Issued Capital US$'000	Other reserves US$'000	Share options reserve US$'000	Accumulated profits US$'000	Total US$'000
Balance as at 1 January 2011	600,500	2,295	1,050	15,251	619,096
Profit for the year*	-	-	-	193,993	193,993
Other comprehensive loss for the year	-	-	-	(3,957)	(3,957)
Total comprehensive income for the year	-	-	-	190,036	190,036
Transfer to accumulated profits	-	(2,295)	(88)	2,383	-
Share options exercised	1,568	-	-	-	1,568
Issue of shares under LFSP	2,038	-	-	-	2,038
Recognition of share based payments	-	-	1,496	-	1,496
Transfer from share options reserve	452	-	(452)	-	-
Other placements	4,152	-	-	-	4,152
Share issue costs	(114)	-	-	-	(114)
Balance as at 31 December 2011	608,596	-	2,006	207,670	818,272

** The Group changed its accounting policy on production-phase stripping costs with effect from 1 January 2012. As a result, the 2011 results have been restated. Refer to Note 3 for further details.*

Consolidated Statement of Cash Flows
for the year ended 31 December 2012

	Note	31 December 2012 US$'000	31 December Restated 2011 US$'000
Cash flows from operating activities			
Cash generated in operating activities	25(b)	221,405	154,830
Finance income		(898)	(1,288)
Net cash generated by operating activities		220,507	153,542
Cash flows from investing activities			
Acquisition of property, plant and equipment	12	(223,567)	(116,401)
Exploration and evaluation expenditure	13	(14,556)	(23,209)
Acquisition of financial assets	14	(6,427)	(17,403)
Acquisition of interests in associates	14	(166)	(3,296)
Proceeds from sale of available-for-sale financial assets		-	11,191
Finance income		898	1,288
Net cash used in investing activities		(243,818)	(147,830)
Cash flows from financing activities			
Proceeds from the issue of equity and conversion of options	17	3,367	3,606
Share issue costs	17	(10)	(114)
Net cash provided by financing activities		3,357	3,492
Net (decrease)/increase in cash and cash equivalents		(19,954)	9,204
Cash and cash equivalents at the beginning of the period	25	164,231	154,338
Effect of foreign exchange rate changes		2,856	689
Cash and cash equivalents at the end of the period	25	147,133	164,231

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2012

1. GENERAL INFORMATION

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

Registered Office	**Principal Place of Business**
Centamin plc	2 Mulcaster Street
Ogier House, The Esplanade	St Helier
St Helier, Jersey JE4 9WG	Jersey JE2 3NJ

The audited financial information for the year ended 31 December 2012 contained in this document does not constitute statutory accounts as defined in Article 105 of Companies (Jersey) Law 1991. The financial information for the year ended 31 December 2012 has been extracted from the financial statements of Centamin plc which will be delivered to the Registrar in due course. The independent auditors report on these financial statements was unmodified and contained an emphasis of matter paragraph relating to significant uncertainty over the Concession Agreement court case referred to above and in Note 20.

2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

In the current year, the following new and revised Standards and Interpretations have been adopted and have affected the amounts reported in these financial statements.

Standards affecting the financial statements

IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine*	IFRIC 20 provides clarity on how to account for and measure the removal of mine waste materials which provide access to mineral ore deposits. Refer to Changes in Accounting Policy in Note 3 for further information.

Standards not affecting the reported results nor the financial position

The following new and revised Standards and Interpretations have been adopted in the current year. Their adoption has not had any significant impact on the amounts reported in these financial statements but, with the exception of the amendment to IFRS 1, may impact the accounting for future transactions and arrangements.

IFRS 7 (amended) Disclosures – Transfers of Financial Assets	The amendments introduce additional disclosures, designed to allow users of financial statements to improve their understanding of transfer transactions of financial assets, including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.
IAS 12 (amended) Deferred Tax: Recovery of Underlying Assets	The amendment provides an assumption that recovery of the carrying amount of an asset measured using the fair value model in IAS 40 Investment Property will, normally, be through sale.
IFRS 1 (amended) Severe Hyperinflation and Removal of Fixed Dates for First-time	The amendment replaces references to a fixed date with the date of transition to IFRSs' and provides guidance on how an entity should resume presenting financial statements in accordance with IFRSs after a period

Adopters	when the entity was unable to comply with IFRSs because its functional currency was subject to sever hyperinflation.
IAS 19 (revised) Employee Benefits	The amendments provide revised requirements for pensions and other post-retirement benefits, termination benefits and other changes.

IAS 1 (amended) Presentation of Items of Other Comprehensive Income	The amendment revises the way other comprehensive income is presented.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

IFRS 1 (amended)	Government Loans
IFRS 7 (amended)	Disclosures – Offsetting Financial Assets and Financial Liabilities
IFRS 9	Financial Instruments
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
IAS 27 (revised)	Separate Financial Statements
IAS 28 (revised)	Investments in Associates and Joint Ventures (2011)
IAS 32 (revised)	Offsetting Financial Assets and Financial Liabilities
Improvements to IFRSs 2009 – 2011	Annual Improvements 2009 – 2011 Cycle

The directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Group in future periods, except as follows:

- IFRS 9 will impact both the measurement and disclosures of Financial Instruments;
- IFRS 11 will affect joint venture accounting, however will have no impact on the accounting of the Concession Agreement;
- IFRS 12 will impact the disclosure of interests Group has in other entities;
- IFRS 13 will impact the measurement of fair value for certain assets and liabilities as well as the associated disclosures.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) adopted by the European Union ('EU IFRS') and therefore the Group financial statements comply with Article 4 of the EU IAS Regulation

There are no changes in these accounting policies for the year ended 31 December 2012 except as disclosed in Note 3 below "Changes in accounting policy".

Changes in accounting policy

IFRIC 20 “Stripping Costs in the Production Phase of a Surface Mine”

The Group changed its accounting policy on stripping costs in the production phase of a surface mine effective 1 January 2012. IFRIC 20 provides clarity on how to account for and measure the removal of mine waste materials which provide access to mineral ore deposits. 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.

IFRIC 20 considers when and how to account separately for these two benefits arising from the stripping activity, as well as how to measure these benefits both initially and subsequently.

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:

i. it is probable that the future economic benefit (improved access to the ore body) associated with the stripping activity will flow to the entity;
ii. the entity can identify the component of the ore body for which access has been improved; and
iii. 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.

IFRIC 20 includes transitional provisions which permit the Group to reclassify any ‘predecessor stripping asset’ at the start of the earliest period presented as part of the existing asset to which the stripping activity is related, which will be 1 January 2011.

In line with IFRIC 20, our 2012 results now include a restatement of the 2011 year as follows:

Impact of IFRIC 20	**Year ended 31 December 2011 US$’000**
Increase in Profit for the period and Total comprehensive income	**12,049**
Increase in Net Assets	**12,049**
Increase in basic earnings per share (cents per share)	1.11
Increase in fully diluted earnings per share (cents per share)	1.11

The adoption of IFRIC 20 had no impact on the Group’s retained earnings as at 1 January 2011.

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 (UK) plc and Sheba Exploration Limited that use Great British Pound. All financial

information presented in United States Dollars has been rounded to the nearest thousand dollars, unless otherwise stated.

These financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

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 as defined in IAS 27 "Consolidated and Separate 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. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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 controlled 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 23). Pursuant to the Concession Agreement, PGM solely funds SGMs activities. PGM is also entitled to recover the following costs and expenses payable from sales revenue (excluding the royalty payable to 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 SGM's net production surplus (defined as revenue less payment of the fixed royalty to ARE and recoverable costs. 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.

Going concern

These financial statements for the year ended 31 December 2012 have been prepared on a going concern basis, which contemplate the realisation of assets and liquidation of liabilities during the normal course of operations.

As discussed in Note 20, during the year 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, and the second arose as a result of judgment of an Administrative Court of first instance in relation to, amongst other matters, the Company's 160km2 exploitation lease. In relation to the first decision, the Company remains confident that in the event that it is required to continue to pay international prices, the mine at Sukari will remain commercially viable. Similarly, the Company remains confident that the appeal it has lodged in relation to the decision of the Administrative Court will ultimately be successful, although final resolution of it may take some time. On 20 March 2013 the Supreme Administrative Court upheld the Company's application to suspend the decision until the merits of the Company's appeal 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 the Director's belief that the Group will be able to continue as going concern.

The directors have a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the Annual 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. 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 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 estimate 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
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 in the investments revaluation reserve 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 12 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 12 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 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:

i) the rights to tenure of the area of interest are current; and

ii) at least one of the following conditions is also met:

  a) 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

b) 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 development properties, and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced.

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 (previously, Sheba Exploration (UK) plc) and Sheba Exploration Limited that use Great British Pound.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise.

Inventories

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

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

Interests in joint ventures

Jointly controlled entities

Where the Group is a venturer (and so has joint control) in a jointly controlled entity, the Group recognises its share of the assets, liabilities, income and expenses, line by line, in the consolidated financial statements.

SGM is wholly consolidated within the Centamin Group of companies, reflecting the substance and economic reality of the Concession Agreement (see note 23).

Leased assets

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

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

Property, plant and equipment ('PPE')

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.

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- 50 years
Office Equipment	-	3 - 7 years
Motor Vehicles	-	2 - 13 years
Land and 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 to mine 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). During the current year, the group changed its accounting policy on stripping costs in the production phase of a surface mine "IFRIC 20" effective 1 January 2012. IFRIC 20 provides clarity on how to account for and measure the removal of mine waste materials which provide access to mineral ore deposits. 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:

i. it is probable that the future economic benefit (improved access to the ore body) associated with the stripping activity will flow to the entity;
ii. the entity can identify the component of the ore body for which access has been improved; and
iii. 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). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

A reversal of an impairment loss is recognised immediately in profit or less, 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 (being 1 April 2010) was offset against the expenditure capitalised and carried in the Consolidated Statement of Financial Position. All revenues recognised after 1 April 2010 are recognised in accordance with the revenue policy stated above. 1 April 2010 was selected as the commencement date of commercial production due to the fact that sufficient, stable and sustained production capacity had been achieved as at that date.

Interest revenue

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

Interest revenue 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.

Production royalty

The Arab Republic of Egypt ("ARE") is entitled to a royalty of 3% of net sales revenue 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, the production is not recognised in cost of sales.

Business combinations

Acquisitions of subsidiaries and businesses 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 relevant IFRSs. Changes in the fair value of contingent consideration classified as equity are not recognised.

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 Noncurrent.

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.

Business combinations (continued)

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

Investments in associates

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

The results and 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.

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 and 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 counter party renders the service.

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 Notes 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

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.

Special considerations

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.

Restoration and rehabilitation

A provision for restoration and rehabilitation is recognised when there is a present 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 JUDGEMENTS

i) Critical Judgements in Applying the Entity's Accounting Policies

The following are the critical judgements 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:

Litigation

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.

Accounting treatment of Sukari Gold Mines (SGM)

SGM is wholly consolidated within the Centamin Group of companies, reflecting the substance and economic reality of the Concession Agreement (see Note 23).

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 judgement 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.

ii) 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 cashflows. It also involves assessment and judgement of difficult 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.

5. REVENUE

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

	31 December 2012 US$'000	31 December 2011 US$'000
Gold sales	425,812	339,779
Silver sales	321	700
	426,133	340,479
Finance income	898	1,288
	427,031	341,767

6. PROFIT BEFORE TAX

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

	31 December 2012			31 December 2011
	Before exceptional items US$'000	Exceptional items US$'000	Total US$'000	US$'000
Cost of sales				
Mine production costs	(140,067)	(36,654)	(176,721)	(112,393)
Movement in inventory	5,854	3,572	9,426	2,833
Depreciation and Amortisation	(35,601)	(36)	(35,637)	(18,642)
	(169,814)	(33,118)	(202,932)	(128,202)

	31 December 2012 US$'000	31 December 2011 US$'000
Finance income		
Interest received	898	1,288

	31 December 2012 US$'000	31 December 2011 US$'000
Other operating costs		
Corporate compliance	(2,956)	(1,506)
Corporate consultants	(772)	(383)
Employee entitlements	(141)	(33)
Salary and wages	(8,314)	(1,598)
Travel and accommodation	(956)	(694)
Other administration expenses	(1,887)	(1,090)
Employee equity settled share based payments	(1,981)	(1,496)
Fixed royalty – Attributable to the Egyptian government	(12,769)	(13,360)
Foreign exchange gain, net	5,170	584
Investment loss, net of tax	-	93
Provision for restoration and rehabilitation – unwinding of discount	(263)	(89)
Share of loss in associate	(330)	-
Lease payments	(306)	-

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 2012 US$'000	31 December 2011 US$'000
Included in Cost of sales		
Mine production costs	(36,654)	-
Movement in inventory	3,572	-
Depreciation and Amortisation	(36)	-
	(33,118)	-

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 further 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 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 advanced funds to our fuel supplier, Chevron, based on the international price for diesel.

As at the date of this document, 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 re-claiming funds from the government and for this reason have, fully provided against the prepayment of US$41.4 million, as an exceptional item, as follows:

(a) a US$33.1 million increase in cost of sales,
(b) a US$0.6 million increase in stores inventories,
(c) a US$3.6 million increase in mining stockpiles and ore in circuit, and
(d) a US$4.1 million increase in property, plant and equipment (capital WIP).

This has resulted in a net decrease of US$33.1 million in the profit and loss.

	31 December 2012 US$'000	31 December 2011 US$'000
Included in Other operating costs		
Re-domicile costs	(564)	(2,645)

The re-domicile costs relate to the expenses incurred in moving the Group from Australia to Jersey by means of the Company becoming the holding company of the Group.

7. TAX

Tax recognised in profit is summarised as follows:

	31 December 2012 US$'000	31 December 2011 US$'000
(a) Tax expense		
Current tax		
Current tax expense in respect of the current year	-	-
Adjustments recognised in the current year in relation to the current tax in prior periods	(444)	-
	(444)	-
Deferred tax		
Deferred tax expense relating to the origination and reversal of temporary differences	-	222
Tax losses and temporary differences not recognized	-	(222)
Total tax expense	(444)	-

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

	31 December 2012 US$'000	31 December 2011 US$'000
Profit before income tax	198,594	193,994
Add: Share of loss in Associate	330	-
	198,924	193,994
Tax expense calculated at 0% (2011 : 30%)[1] of profit before tax	-	58,198
Tax effect of amounts which are not deductible/taxable in calculating taxable income:		
Non-deductible expenses	-	48,703
Tax effect of income not taxable in determining taxable profit	-	(107,209)
Tax Losses and temporary differences not recognized	-	308
Adjustments recognised in the current year in relation to the current tax in prior periods	(444)	-
Tax expense for the year	(444)	-

[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 (2011 : 30% payable by Australian corporate entities on taxable profits under the Australian tax law). There has been no change in the underlying corporate tax rates when compared to the previous financial period.

	31 December 2012 US$'000	31 December 2011 US$'000
Current tax liabilities		
Current tax payable	-	444

Tax consolidation

Relevance of tax consolidation to the consolidated entity

Companies within the Groups 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 and base metals only, which represents a single operating segment. The Board is the Group's chief operating decision maker within the meaning of IFRS 8.

9. TRADE AND OTHER RECEIVABLES

	31 December 2012 US$'000	31 December 2011 US$'000
Gold sales debtors	40,736	29,976
Other receivables	-	22
	40,736	29,998

Trade and other receivables are classified as loans and receivables and are therefore measured at amortised cost. The average age of the receivables is 35 days (2011: 32 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 2012 US$'000	31 December 2011* US$'000
Mining stockpiles and ore in circuit	22,800	13,374
Stores	71,836	59,257
	94,636	72,631

** The Group changed its accounting policy on production-phase stripping costs with effect from 1 January 2012. As a result, the 2011 results have been restated. Refer to Note 3 for further details.*

During the year US$20,493 (2011: US$295,000) of inventory has been written off to other operating costs.

11. PREPAYMENTS

	31 December 2012 US$'000	31 December 2011 US$'000
Prepayments	466	1,576
Fuel prepayments	-	-
	466	1,576

Movement in fuel prepayments		
Balance at the beginning of the year	-	-
Fuel prepayment recognised	41,417	-
Less: *Provision charged to* [1]*:*		
Mine production costs (see Note 6)	(36,654)	-
Property, plant and equipment (see Note 6)	(4,157)	-
Inventories (see Note 6)	(606)	-
Balance at the end of the year	-	-

[1] Refer to Note 6, Exceptional Items, for further details.

12. PROPERTY, PLANT AND EQUIPMENT

	Office equipment US$'000	Land and buildings US$'000	Plant and equipment US$'000	Motor vehicles US$'000	Mine Development properties[1] US$'000	Stripping Asset[1] US$'000	Capital WIP US$'000	Total US$'000
Cost								
Balance at 31 December 2011	2,727	14	273,940	77,074	119,837	-	108,767	582,359
Additions	220	-	-	-	56,570	-	184,522	241,312
Transfers	648	157	4,426	28,202	-	-	(33,433)	-
Balance at 31 December 2012	3,595	171	278,366	105,276	176,407	-	259,856	823,671
Accumulated depreciation								
Balance at 31 December 2011	(1,926)	(9)	(14,883)	(19,510)	(4,135)	-	-	(40,463)
Depreciation and amortisation	(590)	(7)	(13,369)	(10,197)	(11,474)	-	-	(35,637)
Balance at 31 December 2012	(2,516)	(16)	(28,252)	(29,707)	(15,609)	-	-	(76,100)
Cost								
Balance at 31 December 2010	2,243	14	241,140	56,338	125,947	-	40,276	465,958
Additions	9	-	-	-	-	-	122,502	122,511
Transfers	475	-	32,800	20,736	(6,110)	-	(54,011)	(6,110)
Balance at 31 December 2011	2,727	14	273,940	77,074	119,837	-	108,767	582,359
Accumulated depreciation								
Balance at 31 December 2010	(1,417)	(8)	(6,242)	(12,073)	(2,081)	-	-	(21,821)
Depreciation and amortisation	(509)	(1)	(8,641)	(7,437)	(2,054)	-	-	(18,642)
Balance at 31 December 2011	(1,926)	(9)	(14,883)	(19,510)	(4,135)	-	-	(40,463)
Net book value								
As at 31 December 2011	801	5	259,057	57,564	115,702	-	108,767	541,896
As at 31 December 2012	**1,079**	**155**	**250,114**	**75,569**	**160,798**	**-**	**259,856**	**747,571**

[1] *The Group changed its accounting policy on production-phase stripping costs with effect from 1 January 2012. As a result, the 2011 results have been restated. Refer to Note 3 for further details.*

13. EXPLORATION AND EVALUATION ASSET

	31 December 2012 US$'000	31 December 2011 US$'000
Balance at the beginning of the period	31,113	3,752
Acquisition of Sheba Exploration (UK) plc – exploration rights	-	10,413
Expenditure for the period	14,556	16,948
Balance at the end of the period	45,669	31,113

The exploration and evaluation asset relates to the drilling, geological exploration and sampling of potential ore reserves. During the prior year the Group acquired the exploration rights in Sheba Exploration Holdings Limited (previously, Sheba Exploration (UK) plc) of US$10.2 million for the licences of Werie Lehe and Saharti Licences, granted until 29 November 2013, and the Una Deriam Licence, granted until 19 March 2014. Both licences are renewable for a period of one year.

14. AVAILABLE-FOR- SALE FINANCIAL ASSETS AND INTERESTS IN ASSOCIATES

14.1 Available-for-sale financial assets

	31 December 2012 US$'000	31 December 2011 US$'000
Balance at the beginning of the period	1,831	-
Acquisitions	6,427	17,403
Disposals	-	(11,408)
Profit/(Loss) on foreign exchange movement	159	(207)
Loss on fair value of investment – other comprehensive income	(2,804)	(3,957)
Balance at the end of the period	5,613	1,831

The available for sale financial asset at year-end relates to a 14% equity interest in Nyota Minerals Limited ("NYO"), a listed public company. Management are not planning on divesting from this investment in the foreseeable future.

During 2011 the Group acquired shares in Auryx Gold Corporation ("AYX") a listed public company for US$11,408,000 and the investment was sold for US$11,191,490 during the prior year. A profit on disposal of US$92,754 and a foreign exchange loss of US$207,000 were realised.

14.2 Interests in associates

	31 December 2012 US$'000	31 December 2011 US$'000
Balance at the beginning of the period	3,296	-
Acquisitions	166	3,296
Share of loss in associate	(330)	-
Balance at the end of the period	3,132	3,296

The interest in associate relate to the Group's 36% equity interest in Sahar Minerals Limited, of which 33% was acquired in July 2011, and an additional 3% was acquired in December 2012. The associate holds exploration rights and continues to explore.

In 2011, the interest in associate was held at the cost of US$3,296,000 at year-end and no movement in the investment was recorded as there was no financial information available for the associate since acquisition.

15. TRADE AND OTHER PAYABLES

	31 December 2012 US$'000	31 December 2011 US$'000
Trade payables	21,121	12,909
Other creditors and accruals	33,485	11,600
	54,606	24,509

Trade payables principally comprise the amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 38 days (2011: 45 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 2012 US$'000	31 December 2011 US$'000
Current		
Employee benefits (i)	625	717
Bonus provision	4,337	-
	4,962	717
Non-current		
Employee benefits	-	-
Restoration and rehabilitation (ii)	5,544	2,630
	5,544	2,630
Movement in restoration and rehabilitation provision		
Balance at beginning of the year	2,630	2,541
Additional provision recognised	2,651	-
Interest expense – unwinding of discount	263	89
Balance at end of the year	5,544	2,630
Movement in bonus provision		
Balance at beginning of the year	-	-
Provision recognised	4,337	-
Balance at end of the year	4,337	-

(i) Employee benefits relate to annual, sick and long service leave entitlements. The current provision for employee benefits as at 31 December 2012 includes US$625,118 (31 December 2011: US$707,780) of annual leave entitlements.

(ii) 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 10%. 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.

17. ISSUED CAPITAL

	31 December 2012 US$'000	31 December 2011 US$'000
Balance at beginning of the period	608,596	600,500
Issue of shares upon exercise of options and warrants	-	3,606
Transfer from share options reserve	510	452
Other placements	3,367	4,152
Share issue costs	(10)	(114)
Balance at end of the period	612,463	608,596

During 2011 the Company re-domiciled to Jersey and the presentation below is line with the requirements of the Jersey Companies Act.

	31 December 2012 Number	$'000	31 December 2011 Number	$'000
Fully paid ordinary shares				
Balance at beginning of the period	1,096,297,381	608,596	1,081,946,250	600,500
Issue of shares upon exercise of options	-	-	11,312,500	3,606
Transfer from share option reserve	-	510	-	452
Other placements (net of share issue costs)	5,100,000	3,357	3,038,631	4,038
Balance at end of the period	1,101,397,381	612,463	1,096,297,381	608,596

At 31 December 2012 the Company held 11,347,222 ordinary shares in treasury (2011: 8,840,000 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.

18. RESERVES

	31 December 2012 US$'000	31 December 2011 US$'000
Option reserve	-	-
Asset realisation reserve	-	-
Other reserves – sub-total	-	-
Share option reserve	3,477	2,006
	3,477	2,006

The option reserve and share option reserve have been created from the issuing of options for a consideration greater than their then nominal or par value.

The asset realisation reserve has been created from the realisation of particular assets.

The capital reserve was created from the cancellation of shares in the Company held by Pharaoh Gold Mines NL.

	31 December 2012 US$'000	31 December 2011 US$'000
Option reserve		
Balance at beginning of the period	-	1,857
Movements during the period	-	(1,857)
Balance at the end of the period	-	-

	31 December 2012 US$'000	31 December 2011 US$'000
Share option reserve		
Balance at beginning of the period	2,006	1,050
Cost of share-based payments	1,981	1,496
Transfer to issued capital	(510)	(452)
Transfer to retained earnings	-	(88)
Balance at the end of the period	3,477	2,006

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

19. COMMITMENTS FOR EXPENDITURE

	31 December 2012 US$'000	31 December 2011 US$'000
(a) Capital expenditure commitments		
Plant and equipment		
Not longer than 1 year	56,297	40,026
Longer than 1 year and not longer than 5 years	-	-
Longer than 5 years	-	-
	56,297	40,026

	31 December 2012 US$'000	31 December 2011 US$'000
(b) Operating lease commitments		
Office premises		
Not longer than 1 year	319	56
Longer than 1 year and not longer than 5 years	486	-
Longer than 5 years	60	-
	865	56

Operating lease commitments are limited to office premises in London and Jersey.

20. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent Liabilities

Fuel Supply

In January 2012, the Group received a letter from Chevron to the effect that Chevron would only be able to supply Diesel Fuel Oil ("DFO") to the mine at Sukari at international prices rather than at local subsidised prices, which had the effect of adding approximately US$150 per ounce to the cost of production. It is understood that the reason that this letter was issued was that Chevron had received a letter instructing it to do so from the Egyptian General Petroleum Corporation ("EGPC"). It is further understood that EGPC itself issued this instruction because it had received legal advice from the Legal Advice Department of the Council of State (an internal government advisory department) that the companies operating in the gold mining sector in Egypt were not entitled to such subsidies. In November, the Group received a further demand from Chevron for the repayment of fuel subsidies received during the period from late 2009 through to January 2012, amounting to EGP403 million (approximately US$60 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 advanced funds to our 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 re-claiming funds from the government and for this reason have fully provided against the prepayment of US$41.4 million, as an exceptional item. Refer to Note 6 of the financial statements for further details on the impact of this exceptional provision on the Group's results for 2012.

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.

Egyptian Court Litigation

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, sufficient evidence had not 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 both lodging a formal appeal before the Supreme Administrative Court on 26 November 2012 and, in the first instance, lodging an "Objection to Enforcement" with the Civil Court on 31 October 2012; this was an interim measure which had the effect of "staying" (postponing) implementation of the original ruling until such time as the Objection is heard. 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 is 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 underway.

EMRA lodged its own appeal in relation to this matter on 27 November 2012, the day after the Company's appeal was lodged. 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. We believe this demonstrates the government's commitment to our investment at Sukari and the desire to stimulate further investment in the Egyptian mining industry.

We do not yet know when the appeal will conclude, although are 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 two leading Egyptian law firms who have confirmed that the proper steps were followed with regard to the grant of the 160km^2 lease. We therefore remain 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 companies operation exceeded the exploitation lease area of 3 km2 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 2011: nil).

21. SUBSIDIARIES

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

	Country of incorporation	Ownership interest 31 December 2012 %	Ownership interest 31 December 2011 %
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	United Kingdom	100	100
Sheba Exploration Holdings Limited[2]	United Kingdom	100	100
Centamin Group Services Limited	Jersey	100	-
Centamin Holdings Limited	Jersey	100	-
Sheba Exploration Limited	Ethiopia	100	100
Centamin Limited	Bermuda	100	100

[1] Dormant company.

[2] Previously Sheba Exploration (UK) Plc.

22. AUDITOR'S REMUNERATION

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

	31 December 2012 US$'000	31 December 2011 US$'000
Fees payable to the company's auditor and their associates for the audit of the company's annual accounts	210	231
Additional fees relating to the prior year*	191	-
Fees payable to the company's auditor and their associates for other services to the group		
- The audit of the company's subsidiaries	48	-
Total audit fees	449	231
Non audit fees:		
Audit related assurance services	126	-
Other assurance services	-	308
Tax compliance services	79	90

Tax advisory services	122	247
Total non-audit fees	327	645

* Additional one-off fees incurred as a result of the re-domicile process.

The auditor of the Centamin plc Group of companies is Deloitte LLP. During 2011 Deloitte performed tax advisory services for the various tax implications and considerations for the re-domicile, and for the IPO and related services.

Deloitte obtained pre-approval from the Audit Committee for performing these services and have used separate teams for the tax advisory services, than the team performing the audit.

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.

23. JOINTLY CONTROLLED ENTITIES

The consolidated entity has material interests in the following ventures:

Name of joint venture	Principal activities	Percentage Interest	
		31 December 2012 %	31 December 2011 %
Egyptian Pharaoh Investments[1]	Exploration	50	50
Sukari Gold Mines	Exploration and Production	50	50

[1] Dormant company.

The Group's interest as a joint venture partner, in the above jointly controlled entities, is detailed below. The amounts are included in the consolidated financial statements of the Group using the line-by-line reporting format.

Statement of financial position	31 December 2012 US$'000	31 December 2011 US$'000
Current assets		
Cash	32,107	32,100
Trade and other receivables	40,734	29,976
Inventories	94,636	72,631
Prepayments	289	247
	167,766	134,954
Non-current assets		
Exploration, evaluation and development	32,002	18,699
	32,002	18,699
Current liabilities		
Trade and other payables	53,601	21,639
	53,601	21,639
Statement of comprehensive income		
Revenue	426,133	340,479
Cost of sales	(204,109)	(128,201)
Gross profit	222,024	212,278

Other operating income	37	700
Other operating costs	4,096	(1,631)
Profit before income tax	226,157	211,347
Tax expenses	-	-
Net profit for the year	226,157	211,347

Capital commitments arising from the Group's interests in joint ventures are disclosed in Note 19.

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 2001 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 Manger, who is appointed by PGM.

The fiscal terms of the Concession Agreement require that PGM solely funds the 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 2012, PGMs has not recovered its cost and accordingly, no EMRA entitlement has been recognized to date, It is anticipated that the first payment to EMRA will become payable during 2013, Any payment made to EMRA pursuant to these provisions of the Concession Agreement will be recognised as a variable royalty charge to 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 of 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; and
- 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.

24. EARNINGS PER SHARE

	Consolidated	
	31 December 2012 Cents Per Share	31 December 2011 Cents Per Share
Basic earnings per share	18.27	17.90
Diluted earnings per share	18.26	17.88

Basic earnings per share

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

	Consolidated	
	31 December 2012 $'000	31 December 2011 US$'000
Earnings used in the calculation of basic EPS	199,038	193,993

	Consolidated	
	31 December 2012 No.	31 December 2011 No.
Weighted average number of ordinary shares for the purpose of basic EPS	1,089,653,789	1,083,738,358

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:

	Consolidated	
	31 December 2012 $'000	31 December 2011 US$'000
Earnings used in the calculation of diluted EPS	199,038	193,993

	Consolidated	
	31 December 2011 12 months No.	31 December Restated 2010 6 months No.
Weighted average number of ordinary shares for the purpose of diluted EPS	1,089,977,621	1,084,906,503
Weighted average number of ordinary shares for the purpose of basic EPS	1,089,653,789	1,083,738,358
Shares deemed to be issued for no consideration in respect of employee options	323,832	1,168,145
Weighted average number of ordinary shares used in the calculation of diluted EPS	1,089,977,621	1,084,906,503

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 2012 US$'000	31 December 2011 US$'000
Cash and cash equivalents	147,133	164,231

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

	31 December 2012 US$'000	31 December 2011 US$'000
Profit for the year	199,038	193,993
Add/(less) non-cash items:		
Depreciation/ amortisation of property, plant and equipment	35,637	18,642
Stock write-off	20	295
Increase in provisions	7,159	171
Foreign exchange rate gain, net	(4,320)	(584)
Listed shares - unrealized gain	-	(93)
Share of loss in associate	330	-
Share based payments	1,981	1,496
Changes in working capital during the period :		
Increase in trade and other receivables	(10,738)	(29,870)
Increase in inventories	(22,005)	(34,612)
Decrease in prepayments	1,110	(1,116)
Increase in trade and other payables	13,193	6,508
Cash flows generated from operating activities	221,405	154,830

(c) Non-cash financing and investing activities

During the year there have been no non-cash financing and investing activities. During the prior year 3,038,631 ordinary shares valued at US$4.2 million and cash of US$6.2 million totalling US$10,413,000 as per note 13 and were issued/paid to the owners of Sheba Exploration Holdings Limited (previously, Sheba Exploration (UK) plc) as consideration for the acquisition of interests in four exploration licences in Ethiopia.

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 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, London, Jersey, Egypt 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.

Categories of financial assets and liabilities:

	31 December 2012 US$'000	31 December 2011 US$'000
Financial assets		
Available for sale assets	5,613	1,831
Cash and cash equivalents	147,133	164,231
Trade and other receivables	40,736	29,998
	193,482	196,060
Financial liabilities		
Other financial liabilities		
Trade and other payables	54,606	24,509
	54,606	24,509

(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. Exposure to Canadian dollars has diminished considerably when compared to prior periods. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the entity's functional currency. The risk is measured by regularly monitoring, forecasting and performing sensitivity analyses on the Group's financial position.

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

	Great British Pound		Australian dollar		Egyptian Pound	
	31 December 2012 US$'000	31 December 2011 US$'000	31 December 2012 US$'000	31 December 2011 US$'000	31 December 2012 US$'000	31 December 2011 US$'000
Financial assets						
Cash and cash equivalents	1,055	3,046	21,963	31,567	3,648	7,713
Available for sale assets	4,062	-	1,550	1,831	-	-
	5,117	3,046	23,513	33,398	3,648	7,713
Financial liabilities						
Trade and other payables	6,585	211	11,361	671	6,268	27,594
	6,585	211	11,361	671	6,268	27,594
Net exposure	(1,468)	2,835	12,152	32,727	(2,620)	(19,881)

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 2012 US$'000	31 December 2011 US$'000	31 December 2012 US$'000	31 December 2011 US$'000
US$/GB£ increase by 10%	133	(108)	(155)	(108)
US$/GB£ decrease by 10%	(133)	108	155	108
US$/A$ increase by 10%	(1,105)	(2,961)	(144)	(2,961)
US$/A$ decrease by 10%	1,105	2,961	144	2,961
US$/E£ increase by 10%	238	(127)	-	(127)
US$/E£ decrease by 10%	(238)	127	-	127

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 Great British pounds 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 %	Less than 1 month US$'000	1-12 months US$'000	>12 months US$'000	Total US$'000
Consolidated					
31 December 2012					
Financial assets					
Variable interest rate instruments	0.64	33,251	111,898	-	145,149
Non- interest bearing	-	48,333	-	-	48,333
		81,584	111,898	-	193,482
Financial liabilities					
Variable interest rate instruments	-	-	-	-	-
Non-interest bearing	-	54,606	-	-	54,606
		54,606	-	-	54,606
31 December 2011					
Financial assets					
Variable interest rate instruments	0.75	-	147,970	-	147,970
Non- interest bearing	-	16,261	-	-	16,261
		16,261	147,970	-	164,231

Financial liabilities					
Variable interest rate instruments	-	-	-	-	-
Non-interest bearing	-	24,323	1,346	-	25,669
		24,323	1,346	-	25,669

(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 on-going 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.

Liquidity risk:	**Less than 1 month US$'000**	**1-12 months US$'000**	**>12 months US$'000**	**Total US$'000**
Consolidated				
31 December 2012				
Financial assets				
Variable interest rate instruments	33,251	111,898	-	145,149
Non- interest bearing	48,333	-	-	48,333
	81,584	111,898	-	193,482
Financial liabilities				
Variable interest rate instruments	-	-	-	-
Non-interest bearing	54,606	-	-	54,606
	54,606	-	-	54,606
31 December 2011				
Financial assets				
Variable interest rate instruments	-	147,970	-	147,970
Non- interest bearing	16,261	-	-	16,261
	16,261	147,970	-	164,231
Financial liabilities				
Variable interest rate instruments	-	-	-	-
Non-interest bearing	24,323	1,346	-	25,670
	24,323	1,346	-	25,670

(g) Credit risk

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with credit-worthy counter-parties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group measures credit risk on a fair value basis. The Group's credit risk is concentrated on one entity, but the Group has good credit checks on customers and none of the trade receivables from the customer has been past due. Also, the cash balances held in Canadian and Australian dollars which are held with a financial institution with a high credit rating.

The gross carrying amount of financial assets recorded in the financial statements represents the Group's maximum exposure to credit risk without taking account of the value of collateral or other security obtained.

(h) Fair value

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

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

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

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

	2012			
	Level 1	**Level 2**	**Level 3**	**Total**
Available for sale financial assets	5,613	-	-	5,613

	2011			
	Level 1	**Level 2**	**Level 3**	**Total**
Available for sale financial assets	1,831	-	-	1,831

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

27. SHARE BASED PAYMENTS

Employee Share Option Plan (ESOP)

The consolidated entity had an Employee Share Option Plan (ESOP) in place for executives and employees. Options were issued to key management personnel under the Employee Option Plan 2006 (previously the Employee Option Plan 2002) as part of their remuneration. Options were offered to key management personnel at the discretion of the Directors, having regard, among other things, to the length of service with the consolidated entity, the past and potential contribution of the person to the consolidated entity and in some cases, individual performance. Each share option converts into one ordinary share of the Company on exercise. The options carry neither rights to dividends nor voting rights and are not transferable. Options vest over a period of 12 months, with 50% vesting and exercisable after six months and the other 50% vesting and exercisable after 12 months of issue. All options are issued with a term of three years. At the discretion of the Directors part or all of the options issued to an executive or employee may be subject to performance based hurdles. No performance based hurdles have been applied for options granted to date. Upon exercise of the options the ordinary shares received rank equally with the existing ordinary shares. No options have been offered under the ESOP in 2011 or 2012.

Executive Directors Loan Funded Share Plan (EDLFSP) & 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.

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 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 shall be 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.

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.

Under the 2011 EOS the exercise price of the options is denominated in pound sterling. 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.

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

	31 December 2012	31 December 20121
	US$'000	US$'000
2011 EOS	110	-
LFSP	1,650	1,496
DBSP	221	-
	1,981	1,496

LFSP awards and EOS options granted during the year:

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 and 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]		LFSP 2011		
Date of Grant	05-Apr	05-Apr	15-Aug	21-Mar	21-Jun	30-Sep
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 (£)	0.6380	0.6380	0.6950	1.2590	1.1710	1.1710
Exercise price (£)	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) (£)	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 2 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 year:

	DBSP 2012
Grant date	11 October 2012
Number of instruments	1,000,000
Share price at grant date £	1.0060
Share price at grant date US$	1.6265
Vesting period (years) [1]	1-3
Expected dividend yield (%)	n/a
Fair value (£) [2]	1.0060
Fair value (US$) [2]	1.6265

(1) Variable vesting dependent on one to three years of continuous employment.

(2) The fair value of shares in the DBSP was calculated by using the closing share price on grant date, converted at the closing £:US$ foreign exchange rate on that day, no other factors were taken into account in determining the fair value.

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 2012		31 December 2011	
	Number of options	US$ Weighted average exercise price	Number of options	US$ Weighted average exercise price
Balance at beginning of the period	1,630,150	1.20	3,325,150	1.2432
Granted during the period (a)	-	-	-	-
Expired/Lapsed during the period (b)	(1,630,150)	1.9228	(350,000)	1.8658
Exercised during the period	-	-	(1,345,000)	1.1334
Balance at the end of the period (c)	-	-	1,630,150	1.20
Exercisable at the end of the period	-	-	1,630,150	1.20

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 2012 Number of options	31 December 2012 US$ Weighted average exercise price	31 December 2011 Number of options	31 December 2011 US$ Weighted average exercise price
Balance at beginning of the period	-	-	-	-
Granted during the period (a)	1,550,000	1.0718	-	-
Expired/Lapsed during the period (b)	(150,000)	1.0730	-	-
Exercised during the period	-	-	-	-
Balance at the end of the period (c)	1,400,000	1.0716	-	-
Exercisable at the end of the period	1,400,000	1.0716	-	-

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

	31 December 2012 Number of shares	31 December 2012 US$ Weighted average exercise price	31 December 2011 Number of shares	31 December 2011 US$ Weighted average exercise price
Balance at beginning of the period	7,472,222	2.00547	-	-
Granted during the period (a)	5,100,000	1.0730	9,967,500	2.01195
Expired/Lapsed during the period (b)	(2,435,000)	1.8169	(2,495,278)	2.03138
Exercised during the period	-	-	-	-
Balance at the end of the period (c)	10,137,222	1.5808	7,472,222	2.00547
Exercisable at the end of the period	275,000	1.9435	-	-

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

	31 December 2012 Number of awards	31 December 2011 Number of awards
Balance at beginning of the period	-	-
Granted during the period	1,000,000	-
Expired/Lapsed during the period	-	-
Exercised during the period	-	-
Balance at the end of the period	1,000,000	-
Exercisable at the end of the period	-	-

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 2012 US$	31 December 2011 US$
Short-term employee benefits	7,916,848	2,257,547

Long-term employee benefits	116,226	40,216
Post-employment benefits	78,295	33,215
Share-based payments	1,209,491	1,495,506
Total	9,320,860	3,826,484

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 joint ventures

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

b) Key management personnel compensation

Details of key management personnel compensation are disclosed below.

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 2012	Balance at 1 January 2012[(2)]	Granted as remuneration (LFSP)	Granted as remuneration (DBSP)	Received on exercise of options	Net other change [(1)]	Balance at 31 December 2012	Balance held nominally
J El-Raghy	71,445,086	-	-	-	(500,000)	70,945,086	-
T Schultz	1,000,000	-	-	-	30,000	1,030,000	-
G Haslam	50,000	-	-	-	52,056	102,056	-
M Arnesen	15,000	-	-	-	-	15,000	-
M Bankes	60,000	-	-	-	30,000	90,000	-
K Tomlinson	-	-	-	-	-	-	-
P Louw	637,500	600,000	500,000	-	-	1,737,500	-
A Pardey	775,000	510,000	500,000	-	-	1,785,000	-
H Brown	475,000	-	-	-	-	475,000	-
C Aujard	-	-	-	-	-	-	-
Y El-Raghy	-	510,000	-	-	-	510,000	-
A Davidson	-	-	-	-	-	-	-

31 December 2011	Balance at 1 January 2011[(2)]	Granted as remuneration (LFSP)	Granted as remuneration (DBSP	Received on exercise of options	Net other change [(1)]	Balance at 31 December 2011	Balance held nominally
J El-Raghy	69,195,086	1,000,000	-	-	1,250,000	71,445,086	-
H Michael	-	-	-	-	-	-	-
T Schultz	-	1,000,000	-	1,000,000	(1,000,000)	1,000,000	-
C Cowden	-	-	-	-	-	-	-
H Bottomley	-	-	-	-	-	-	-
G Haslam	-	-	-	-	50,000	50,000	-
M Arnesen	-	-	-	-	15,000	15,000	-
M Bankes	-	-	-	-	60,000	60,000	-
K Tomlinson	-	-	-	-	-	-	-
P Louw	-	600,000	-	-	37,500	637,500	-
M DiSilvio	-	-	-	-	-	-	-
H Brown	250,000	225,000	-	-	-	475,000	-
C Aujard	-	-	-	-	-	-	-
Y El-Raghy	-	-	-	-	-	-	-

(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.

(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 2012	Balance at 1 January 2012	Granted as remuneration	Exercised	Other changes	Balance at 31 December 2012	Balance vested during the financial period	Balance - vested and exercisable at 31 December 2012
J El-Raghy	-	-	-	-	-	-	-
T Schultz	-	-	-	-	-	-	-
G Haslam	-	-	-	-	-	-	-
M Arnesen	-	-	-	-	-	-	-
M Bankes	-	-	-	-	-	-	-
K Tomlinson	-	-	-	-	-	-	-
P Louw	-	-	-	-	-	-	-
A Pardey	-	-	-	-	-	-	-
H Brown	-	-	-	-	-	-	-
C Aujard	-	600,000	-	-	600,000	-	-
Y El-Raghy	-	-	-	-	-	-	-
A Davidson	-	500,000	-	-	500,000	-	-

31 December 2011	Balance at 1 January 2011	Granted as remuneration	Exercised	Other changes	Balance at 31 December 2011	Balance vested during the financial period	Balance - vested and exercisable at 31 December 2011
J El-Raghy	-	-	-	-	-	-	-
H Michael	-	-	-	-	-	-	-
C Cowden	-	-	-	-	-	-	-
H Bottomley	-	-	-	-	-	-	-
T Schultz	1,000,000	-	(1,000,000)	-	-	-	-
G Haslam	-	-	-	-	-	-	-
M Arnesen	-	-	-	-	-	-	-
M Bankes	-	-	-	-	-	-	-
K Tomlinson	-	-	-	-	-	-	-
P Louw	-	-	-	-	-	-	-
M Di Silvio	475,000	-	(125,000)	(350,000)	-	-	-
H Brown	-	-	-	-	-	-	-
C Aujard	-	-	-	-	-	-	-
Y El-Raghy	-	-	-	-	-	-	-

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 2012 are summarised below:

Mr J 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$21,499 or US$22,103 (31 December 2011: A$33,480 or US$32,192).

Mr C Cowden, a Non Executive Director until his resignation on 26 May 2011, was also a director and shareholder of Cowden Limited, which provided insurance broking services to the Company. All dealings with

Cowden Limited were on normal terms and conditions. Cowden Limited was paid A$2,293 or US$2,397 during the period for which Mr C Cowden was a related party during the year ended 31 December 2011, with A$11,815 or US$12,349 paid to Cowden Limited to be passed on to underwriters for premiums during the period for which Mr C Cowden was a related party during the year ended 31 December 2011.

f) Transactions with the Government of Egypt

Royalty costs attributable to the Government of Egypt of US$12,769,084 (2011: US$13,360,000) were incurred in 2012.

g) Transactions with other related parties

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

During the prior 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. SUBSEQUENT EVENTS

As referred to in Note 20, the Group is involved in on-going litigation in respect of the both the price at which Diesel Fuel Oil is supplied to the mine at Sukari and the validity of the 160km^2 exploitation lease.

Subsequent to year end the Company acquired a further interest in Nyota Minerals Limited and Sahar Minerals Limited for US$1,163,969 and US$500,000 respectively.

Pursuant to the provisions of the Concession Agreement, any profit share payments made to EMRA are due on an annual basis at the end of SGM's financial year, being 30 June. Based on the Company's calculation there was no Net Profit Share due to EMRA as at 30 June 2012, nor is any likely to be due as at 30 June 2013. Furthermore, it is expected that there will be Profit Share due to EMRA for the SGM financial year ending 30 June 2014, based on budgeted production, gold price and operating expense forecasts. Following discussions with EMRA, and with a view to demonstrating goodwill toward the Egyptian government, PGM has made an advance payment in relation to the future Net Profit Share to the value of US$8,200,000. Calculations for the share of Net Profit Share will be done annually on the audited accounts of SGM and this advance payment will be netted off against any future Net Profit Share that becomes payable to EMRA.

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 standardized 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 2012 Before Exceptional items	**Year ended 31 December 2012 Including Exceptional items(1)**	**Year ended 31 December 2011**
	US$'000	**US$'000**	**US$'000**
Profit before tax	231,712	198,594	193,993
Finance income	(898)	(898)	(1,288)
Depreciation and amortisation	35,637	35,637	18,642
EBITDA	266,451	233,333	211,347

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

2) **Cash Cost per Ounce Calculation**: "Cash cost 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 amortization. Management uses this measure internally to better assess performance trends for the Company as a whole. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors use such non-GAAP information to evaluate the Company's performance and ability to generate cash flow. The Company believes that these measures provide an alternative reflection of the Group's performance for the current period and are an alternative indication of its expected performance in future periods. Cash cost is intended to provide additional information, does not have any standardized 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 2012 Before Exceptional items	Year ended 31 December 2012 Including Exceptional items[1]	Year ended 31 December 2011
Mine production costs (Note 6)	(US$)	140,067	176,721	112,393
Less: Refinery and transport	(US$)	(848)	(848)	202
Cash costs	(US$)	139,219	175,873	112,595
Gold Produced - Total	(oz)	262,828	262,828	202,699
Cash cost per ounce	(US$/oz)	530	669	556

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

3) **Cash, Bullion, Gold Sales Receivables and Available-for-sale Financial Assets:** Cash, Bullion, Gold Sales Receivables and Available-for-sale Financial Assets include Cash and cash equivalents, bullion on hand, gold sales receivables and available-for-sale financial assets (equities). This is a non-GAAP financial measure any other companies may calculate these measures differently.

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

	Year ended 31 December 2012	Year ended 31 December 2011
	US$'000	US$'000
Cash and cash equivalents (Note 25)	147,133	164,231
Bullion on hand	25,915	12,380
Gold Sales Receivable (Note 9)	40,736	29,976
Available-for-sale financial assets (Note 14.1)	5,613	1,831
Cash, Bullion, Gold Sales Receivables and Available-for-sale Financial Assets	219,397	208,418

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.