CENTAMIN

CENTAMIN PLC

(Incorporated and registered in Jersey with registered number 109180)

MANAGEMENT DISCUSSION, ANALYSIS and BUSINESS REVIEW

31 DECEMBER 2016

MANAGEMENT DISCUSSION, ANALYSIS AND BUSINESS REVIEW

The following Management Discussion and Analysis of the Financial Condition and Results of Operations ("MD&A") for Centamin plc (the "company" or "Centamin") should be read in conjunction with the Directors' Report and the audited consolidated financial statements for the year ended 31 December 2016 and related notes thereto, which statements were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and adopted for use by the European Union, the Companies (Jersey) Law 1991, and IFRS as issued by the IASB, therefore the audited consolidated financial statements comply with Article 4 of the EU IAS Regulation. For more information see 'Basis of preparation' in Note 3 to the audited consolidated financial statements for the year ended 31 December 2016. The effective date of this report is 1 February 2017.

For further information relating to the company, including information about mineral resources and reserves, reference should be made to its public filings (including its most recently filed AIF) which are available on SEDAR at www.sedar.com. Information is also available on the company's website at www.centamin.com. All amounts in this MD&A are expressed in United States dollars unless otherwise identified.

Overview

Centamin plc ("Centamin" or "the company") is a mineral exploration, development and mining company dual listed on the London and Toronto Stock Exchanges. Centamin's principal asset, the Sukari Gold Mine, which is located in the Eastern Desert approximately 900km from Cairo and 25km from the Red Sea. Centamin's principal asset, the Sukari Gold Mine, began production in 2009 and is the first large-scale modern gold mine in Egypt, with an estimated 20-year mine life and a production rate of at least 500,000 ounces per annum.

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

Centamin's management team and Board of Directors have considerable expertise in the gold mining industry. This ranges from the early stage identification of deposits, project financing, construction and development, to the operating of large mines. Some of the leadership team has been involved with Sukari for almost a decade, taking it from an early stage exploration project to the operating gold mine it is today.

Overview of Sukari concession agreement

Pharaoh Gold Mines NL ("PGM") a 100% wholly owned subsidiary of the company, EGSMA (now "EMRA") and the Arab Republic of Egypt ("ARE") entered into the Concession Agreement dated 29 January 1995, 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 identified in the Concession Agreement. The Concession Agreement came into effect under Egyptian law on 13 June 1995. A summary of the main terms of the Concession Agreement is as follows:

- PGM provides funding to the Operating company, Sukari Gold Mining company, (SGM) and is responsible for the day-to-day management of that company.
- PGM is entitled to recover:
  - all current operating expenses incurred and paid after the initial commercial production;
  - exploration costs, including those accumulated to the commencement of commercial production (at the rate of 33.3% per annum); and
  - exploitation capital costs, including those accumulated prior to the commencement of commercial production (at the rate of 33.3% per annum).
- Legal title of all operating assets of PGM will pass to EMRA when cost recovery is completed. The right of use of all fixed and movable assets remains with PGM and SGM.
- The ARE is entitled to a royalty of 3% of net sales revenue from the sale of gold and associated minerals from the Sukari Gold Mine.
- Commencing on the date of commercial production, SGM and PGM are entitled to a 15 year exemption from any taxes imposed by the Egyptian government, with an option to file an application to extend this entitlement for a further 15 years.
- After the deduction of recoverable expenses and the payment of the 3% royalty, the profits are shared equally between PGM and EMRA (with an additional 10% of proceeds paid to PGM in the first 2 years that there are net proceeds and an additional 5% in the following 2 years).
- PGM, EMRA and the Operating company 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 Sukari.

- PGM, EMRA, the Operating company and their respective buyers will be exempt from any duties or taxes on the export of gold and associated minerals produced from the Sukari Gold Mine.

In addition, the Concession Agreement establishes a procedure for the conversion of any exploration lease granted in favour of PGM into an exploitation lease. Upon following the procedure prescribed by the Concession Agreement, the company was granted such an exploitation lease in respect of 160km2 in 2005 and is in possession of the original document granting this lease duly signed by all relevant parties. The validity of this lease is, however, the subject of the litigation referred to further in this report.

Accounting for Sukari Gold Mines

Sukari Gold Mines ("SGM") is jointly owned by PGM and EMRA on a 50% basis. For accounting purposes, SGM is wholly consolidated within the Centamin group of companies reflecting the substance and economic reality of the Concession Agreement (see note 22) and will therefore recognise a non-controlling interest ("NCI") for EMRA's participation. Furthermore based on the requirements of the Concession Agreement, payments to NCI meet the definition of a liability and will be recorded in the income statement and statement of financial position (below profit after tax), as the EMRA profit share, on the date that a net production surplus becomes available. Payment made to EMRA pursuant to the provisions of the Concession Agreement is based on the net production surplus available as at 30 June, being SGM's financial year end. Pursuant to the Concession Agreement, the provisions of which are described more fully below, whilst PGM is responsible for funding SGM's activities, PGM is also entitled to recover the following costs and expenses payable from sales revenue (excluding the royalty payable to the Arab Republic of Egypt ("ARE")): (a) all current operating expenses incurred and paid after the initial commercial production; (b) exploration costs, including those accumulated to the commencement of commercial production (at the rate of 33.3% of total accumulated cost per annum); and (c) exploitation capital costs, including those accumulated prior to the commencement of commercial production (at the rate of 33.3% of total accumulated cost per annum).

EMRA is entitled to a share of 50% of SGM's net production surplus which is defined as 'revenue less payment of the fixed royalty to Arab Republic of Egypt ("ARE") and recoverable costs'. However, in accordance with the terms of the Concession Agreement, in the first and second years in which there is a Profit Share, PGM will be entitled to an additional 10% of net production surplus and an additional 5% in the third and fourth years. Any payment made to EMRA pursuant to these provisions of the Concession Agreement will be recognised as a variable charge in the income statement (below profit after tax) of Centamin, which will lead to a reduction in the earnings per share.

EMRA and PGM benefit from advance distributions of profit share which are made on a proportionate basis in accordance with the terms of the Concession Agreement. Future distributions will take into account ongoing cash flows, historic costs that are still to be recovered and any future capital expenditure. The profit share payments during the year will be reconciled against SGM's audited June 2017 financial statements.

A profit share charge to EMRA of US$51,253,333 was incurred in 2016, with $18.5 million paid in cash during the period and $28.75 million recovered from previous advance payments.

Highlights for the year

During 2016 our flagship Sukari Gold Mine continued to deliver substantial free cash flows, driven by a seventh successive year of production growth and by substantial reductions in operating costs. This performance has allowed Centamin to maintain its strategic focus on generating shareholder returns and value-accretive growth. A significant milestone was achieved during the year, as the capital investment in the Sukari operation by Centamin's wholly-owned subsidiary Pharaoh Gold Mines ("PGM") was recovered from cash flows to the extent that profit share commenced during the third quarter.

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

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

The Company's dividend policy sets a minimum payout level relative to cash flow while considering the financial condition of, and outlook for, the Company. When determining the amount to be paid the board will take into consideration the underlying profitability of the Company and significant known or expected funding commitments. Specifically, the board will aim to approve an annual dividend of at least 30% of the Company's net cash flow after sustaining capital costs and following the payment of Profit Share due to the Government of Egypt.

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

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

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

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

Also in line with this increased margin, profit before tax of US$266.8 million was up 357% on 2015 and earnings per share (before profit share) for 2016 was US23.05 cents, compared with US4.51 cents in 2015. Profit for the year following deduction of profit share was US$214.8 million, equating to US18.61 cents basic earnings per share (compared with US4.51 cents in 2015).

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

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

Developments in the two litigation actions, Diesel Fuel Oil and Concession Agreement, are described in further detail in Note 21 to the financial statements. In respect of the latter, the Company continues to believe that it has a strong legal position and, in addition, that it will ultimately benefit from law no 32 of 2014, which came into force in April 2014 and which restricts the capacity for third parties to challenge any contractual agreement between the Egyptian government and an investor. This law, whilst in force and ratified by the new parliament, is currently under review by the Supreme Constitutional Court of Egypt. After a series of delays and adjournments, the Concession Agreement appeal has now been stayed until the Supreme Constitutional Court has ruled on the validity of law no 32.

Operational review

Production

Sukari Gold Mine production summary	Year ended 31-Dec 2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Year ended 31-Dec 2015	Q4 2015
Open pit mining							
Ore mined[1] (‘000t)	**10,949**	2,183	2,936	3,425	2,405	8,746	2,229
Ore grade mined (g/t Au)	**0.93**	0.85	1.06	0.90	0.87	0.75	0.77
Ore grade milled (g/t Au)	**0.95**	0.85	1.14	0.99	0.83	0.78	0.75
Total material mined (‘000t)	**62,238**	15,810	16,191	15,080	15,157	57,766	13,754
Strip ratio (waste/ore)	**4.68**	6.24	4.51	3.40	5.30	5.60	5.17
Underground mining							
Ore mined from development (‘000t)	**454**	103	103	113	136	560	151
Ore mined from stoping (‘000t)	**565**	125	153	143	136	598	149
Ore grade mined (g/t Au)	**9.04**	10.43	8.97	9.26	7.77	6.47	7.05
Ore processed (‘000t)	**11,559**	2,948	2,806	2,928	2,876	10,575	2,758
Head grade (g/t)	**1.65**	1.62	1.83	1.66	1.49	1.40	1.47
Gold recovery (%)	**89.4**	89.9	89.7	89.5	88.5	88.8	88.5
Gold produced - dump leach oz)	**9,872**	2,550	1,897	2,431	2,993	15,642	3,417
Gold produced - total[2] (oz)	**551,036**	136,787	148,674	140,306	125,269	439,072	117,644
Cash cost of production[3](US$/oz)	**513**	536	466	461	603	713	667
Open pit mining	**179**	198	163	155	213	243	232
Underground mining	**43**	46	38	39	44	46	42
Processing	**253**	254	222	237	307	367	338
G&A	**38**	38	43	30	39	56	54
Gold sold (oz)	**546,630**	130,959	150,201	141,802	123,668	437,571	117,351
AISC[3] (US$/oz)	**694**	720	644	669	758	885	842
Average realised sales price (US$/oz)	**1,256**	1,207	1,335	1,268	1,196	1,159	1,103

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

Health and safety – Sukari

The LTIFR for 2016 was 0.27 per 200,000 man hours (2015: 0.12 per 200,000 man hours), with a total of 5,187,635 man hours worked during 2016 (2015: 5,032,828). Continued development of the onsite health and safety culture has resulted in improved reporting of incidents. Centamin remains committed to further improving health and safety during 2017 towards our zero harm target.

Open pit

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

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

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

Underground mine

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

During the first quarter, higher tonnage and lower-grade stockwork stopes on the western contact and in the central zone were completed. Thereafter, stoping was carried out predominately from the eastern side of the deposit, where higher-grade mineralisation typically occurs in laminated quartz veins, with sulphide stockworks trailing out westward into the porphyry mass. This, together with local geotechnical variations, requires a narrower and more selective mining method, thus reducing the available tonnes per vertical metre. This has resulted in a higher average grade for the year, coupled with a slight reduction in productivity.

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

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

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

Processing

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

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

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

The 2017 production guidance is based on a forecast production rate of 11.75Mt, with an annual average gold recovery of 89.75%. Grades are expected to show a rising trend throughput the year, starting the first quarter at 1.33g/t and rising to 1.78g/t in the final quarter of the year, averaging 1.57g/t.

Exploration update

Sukari

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

Cleopatra Exploration Decline

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

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

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

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

Phase 2 has a projected cost of US$6.5 million, with 1,057 metres of development and 54,409 tonnes of mined material to be completed over a 5-month period. Grade control diamond drilling has commenced for three proposed strike drives.

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

Côte d'Ivoire

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

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

<u>Mineral Resource for Côte d'Ivoire</u>

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

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

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

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

Burkina Faso

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

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

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

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

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

Selected annual financial information

The following table, which is reflective of a provision against prepayments to reflect the removal of fuel subsidies which occurred in January 2012 (refer to Note 12 to the financial statements), provides a guide to a summary of the financial results of the group's operation for the years ended 31 December 2016, 2015, 2014, 2013 and 2012:

Summary of financial performance

		2016(1)	2015(1)	2014(1)	2016 vs 2015	2016 vs 2015	2015 vs 2014	2015 vs 2014
Revenue	US$'000	**687,387**	508,396	472,581	178,991	35%	35,815	8%
Profit before tax	US$'000	**266,829**	58,407	81,562	208,422	357%	(23,155)	(28%)
EPS before profit share								
Basic EPS (cps)(2)	Cents	**23.05**	4.51	7.21	14.10	312%	(2.70)	(37%)
Diluted EPS (cps)(2)	Cents	**22.94**	4.44	7.11	14.08	317%	(2.67)	(38%)
Profit for the year after tax and profit share	US$'000	**214,755**	51,570	81,562	163,185	316%	(29,992)	(37%)
***EPS after profit* share**								
Basic EPS (cps)(2)	Cents	**18.61**	4.51	7.21	14.10	312%	(2.70)	(37%)
Diluted EPS (cps)(2)	Cents	**18.52**	4.44	7.11	14.08	317%	(2.67)	(38%)
EBITDA(3)	US$'000	**372,884**	152,189	165,474	220,695	145%	(13,285)	(8%)
Total assets	US$'000	**1,586,683**	1,415,022	1,370,737	171,661	12%	44,285	3%
Non-current liabilities	US$'000	**7,697**	7,139	3,015	558	8%	4,124	137%
Cash dividend declared	Cents	**[13.5]**	0.97	0.87			0.10	11%

1) Results reflect a provision against prepayments to reflect the removal of fuel subsidies which occurred in January 2012, refer to Note 12 to the financial statements for further details.
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.

Results of operations

Consolidated statement of comprehensive income

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

Revenue

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

Cost of sales

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

a) a 8% decrease in total mine production costs from US$314.8 million to US$288.3m , despite a 5% increase in processed tonnes offset with a 7% decrease in mined tonnes as a result of improved operational efficiencies and lower overall cost;
b) a 14% increase in depreciation and amortisation from US$93.9 million to US$107.0 million due to higher production physicals, reclassification of exploration & evaluation expenditure to mine development and an increase in the associated amortisation charges; and
c) a 179% decrease in movement in production inventories costs from US$7.5 million to (US$5.9) million.

Other operating costs

Other operating costs reported comprise expenditure incurred for communications, consultants, directors' fees, stock exchange listing fees, share registry fees, employee entitlements, general office administration expenses, the unwinding of the restoration and rehabilitation provision, foreign exchange movements, the share of profit/loss in associates and the 3% production royalty payable to the Egyptian government. Other operating costs increased by 16% to US$32.1 million, as a result of:

a) a US$2.9 million increase in net foreign exchange movements from a US$2.1 million gain to a US$5.0 million gain;
b) a US$1.0 million decrease in corporate costs;
c) a US$5.4 million increase in royalty paid to the government of the ARE in line with the increase in gold sales revenue; and
d) a US$2.5 million provision for stock obsolescence against stores inventory in Egypt.

Finance income

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

Profit before tax

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

Selected information from the consolidated statement of financial position and key financial ratios

	31-Dec 2016 US$'000	31-Dec 2015 US$'000	US$'000	Change %
Total current assets	**563,463**	362,668	200,795	55%
Total non-current assets	**1,023,220**	1,052,354	(29,134)	(3%)
Total assets	**1,586,683**	1,415,022	171,661	12%
Total current liabilities	**54,467**	54,551	(84)	0%
Total non-current liabilities	**7,697**	7,139	558	8%
Total liabilities	**62,164**	61,690	474	1%
Net assets and total shareholders' equity	**1,524,519**	1,353,332	171,187	13%
Key financial ratios:				
Current ratio (1)	**10.35**	6.65		
Return on equity (2)	**14.09%**	3.81%		

(1) Represents current assets divided by current liabilities.

(2) Represents profit for the year attributable to the shareholders of the company divided by total shareholders' equity.

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

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

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

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

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

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

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

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

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

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

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

Current ratio is calculated by dividing the current assets by the current liabilities. The increase in the current ratio is a result of the significant increase in cash reserves during the year.

The return on equity ratio is calculated by dividing the profit for the year attributable to the shareholders of the company for the period by total shareholders' equity and measures the return on ownership. The return on equity showed an increase from 2015 to 2016 as a result of an increase in profit for the year.

Off-balance sheet arrangements

The company had no off-balance sheet arrangements as of the date of this report.

Outstanding share information

As at 1 February 2017, the company had 1,152,107,984 fully paid ordinary shares issued and outstanding.

	Number
Shares in issue (1)	1,152,107,984

1) Includes shares held under the Deferred Bonus Share Plan. Refer to Note 28 for further information.

Selected information from the consolidated statement of cash flows

	Year ended 31 December			
	2016	2015		Change
	US$'000	US$'000	US$'000	%
Net cash flows generated by operating activities	**366,295**	185,542	180,753	97%
Net cash flows used in investing activities	**(105,774)**	(70,657)	(35,117)	50%
Net cash flows generated used in financing activities	**(64,576)**	(38,787)	(25,789)	66%
Net movement in cash and cash equivalents	**195,945**	76,098	119,847	157%
Cash and cash equivalents at the beginning of the financial period	**199,616**	125,659	73,957	59%
Effects of exchange rate changes	**4,312**	(2,141)	6,453	(301%)
Cash and cash equivalents at the end of the financial period	**399,873**	199,616	200,257	100%

Net cash flows generated by operating activities comprise receipts from gold and silver sales and interest revenue, offset by operating and corporate administration costs. Cash flows have increased by US$181.4 million to US$366.3 million, primarily attributable to an increase in revenue, due to an increase in gold sold ounces combined with a higher average realised price.

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

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

Quarterly information

		Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Revenue	US$ million	**158.3**	200.8	180.1	148.1	130.2	118.5	124.2	135.5
Profit/(loss) after tax [(1)]	US$ million	**58.9**	93.7	72.6	40.9	(2.1)	6.3	18.8	28.6
Basic EPS before profit share (cps) [(1)]	Cents	**5.09**	8.10	6.29	3.56	(0.19)	0.55	1.65	2.50
Diluted EPS before profit share (cps) [(1)]	Cents	**5.07**	8.07	6.26	3.51	(0.21)	0.54	1.63	2.48
Profit after tax and profit share	US$ million	**36.4**	64.9	72.6	40.9	(2.1)	6.3	18.8	28.6
Basic EPS after profit (cps) [(1)]	Cents	**3.15**	5.62	6.29	3.56	(0.19)	0.55	1.65	2.50
Diluted EPS after profit share (cps) [(1)]	Cents	**3.13**	5.60	6.26	3.51	(0.21)	0.54	1.63	2.48

1) Profit after tax and basic and diluted EPS include a provision against prepayments to reflect the removal of fuel subsidies which occurred in January 2012 (refer to Note 12 to the financial statements for further details).

The company's results over the past several quarters have been driven primarily by fluctuations in gold price and increases in production.

During the fourth quarter of 2016, revenue was US$158.3 million on gold sold of 130,959 ounces compared with revenue of US$130.2 million on sales of 117,351 ounces during the fourth quarter of 2015. The average realised gold price per ounce in the fourth quarter of 2015 was US$1,103 compared with the average realised gold price during the fourth quarter of 2016 of US$1,207 per ounce.

Cost of sales decreased by 8% to US$92.4 million in the final quarter of 2016 versus US$112.1 million in the final quarter of 2015, primarily as a result of improved operational efficiencies.

Liquidity and capital resources

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

Centamin has a strong and flexible financial position with no debt, no hedging and cash and cash equivalents, bullion on hand, gold sales receivables and available-for-sale financial assets of US$428.0 million at 31 December 2016.

Cash and cash equivalents, bullion on hand, gold sales receivables and available-for-sale financial assets is a non-GAAP financial measure.

Liquidity risk is the risk associated with not having access to sufficient funds to meet planned and unplanned cash requirements. Centamin manages its exposure to liquidity risk by ensuring that its operating and strategic liquidity levels are well above minimum company requirements.

In the day-to-day business, the group receives cash from its operations and is required to fund working capital and capital expenditure requirements. The cash is managed to ensure surplus funds are invested to maximise returns while ensuring that capital is safeguarded to the maximum extent possible by investing only with financial institutions with a strong credit rating.

The group's primary source of liquidity is operating cash flow. The principal risk factor affecting operating cash flow is cost, gold prices, timing of gold sales and the legal actions in relation to the Concession Agreement and subsidy for diesel fuel oil.

The group's financial commitments are limited to planned and discretionary spending on work programmes at the Sukari Gold Mine, planned and discretionary spending on work programmes at the exploration licences in Burkina Faso and Cote d'Ivoire, administration expenditure at the Egyptian, Australian, Jersey, Burkina Faso and Côte d'Ivoire office locations and for general working capital purposes.

Management considers that the group has adequate current assets and forecast cash flow from operations to manage liquidity risks arising from settlement of current liabilities and non-current liabilities.

The group had no debt for both the 2016 and the 2015 period.

The following is a summary of the group's outstanding commitments as at 31 December 2016:

Payments due

Operating lease commitments are limited to office premises in Jersey.

	31 December 2016 US$'000	31 December 2015 US$'000
Office premises		
No longer than one year	**56**	68
Longer than one year and not longer than five years	**47**	119
	103	187

Segment disclosure

The group is engaged in the business of exploration and production of precious metals only, which is characterised as one business segment only. See Note 9 to the financial statements.

Significant accounting policies, estimates and judgments

In the application of the group's accounting policies, which are described in Note 3 to the financial statements, management is required to make judgments, estimates, and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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

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

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

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

Management has discussed its critical accounting judgments and associated disclosures with the Company's audit and risk committee.

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

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

- internal sources of information;
- external sources of information;
- litigation;

The key assumptions previously applied in impairment reviews are:

- forecast gold prices;
- discount rate;
- production volumes;
- reserves and resources report; and
- costs and recovery rates.

Litigation
The group exercises judgment in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation, as well as other contingent liabilities (see note 21 to the financial statements). Judgment is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement.
The group is currently a party to two legal actions both of which could affect its ability to operate the mine at Sukari in the manner in which it is currently operated and adversely affect its profitability. The details of this litigation, which relate to the loss of the Egyptian national subsidy for diesel fuel oil and the ability of the group to operate outside the area of 3km^2 determined by the Administrative Court of first instance to be the area of the Sukari exploitation lease, are given in note 21 to the financial statements and in the most recently filed Annual Information Form ("AIF") which is available on SEDAR at www.sedar.com. Although it is possible to quantify the effects of the loss the national fuel subsidy, it is not currently possible to quantify with sufficient precision the effect of restricting operations to an area of 3km^2.

Every action is being taken to contest these decisions, including the making of formal legal appeals and, although their resolution may still take some time, management 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 will be able to continue during this process.

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

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

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

Going concern

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

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

- litigation as discussed in note 21 to the financial statements;
- forecast gold price;
- production volumes; and
- costs and recovery rates.

These financial statements for the year ended 31 December 2016 have therefore been prepared on a going concern basis, which contemplate the realisation of assets and liquidation of liabilities during the normal course of operations, in preparing the financial statements.

Accounting treatment of Sukari Gold Mines ("SGM")

SGM is consolidated within the Centamin group of companies, reflecting the substance and economic reality of the Concession Agreement (see note 22 to the financial statements).

Key sources of estimation uncertainty

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

Provision for restoration and rehabilitation costs

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

Ore reserve estimates

Estimates of recoverable quantities of reserves include assumptions on commodity prices, exchange rates, discount rates and production costs for future cash flows. It also involves assessment and judgment of complex geological models. The economic, geological and technical factors used to estimate ore reserves may change from period to period. Changes in ore reserves affect the carrying values of mine properties, property, plant and equipment, provision for rehabilitation assets and deferred taxes. Ore reserves are integral to the amount of depreciation and amortisation charged to the consolidated statement of comprehensive income and the calculation in the valuation of inventory.

Production forecasts from the underground mine at Sukari are partly based on estimates regarding future resource and reserve growth. It should be specifically noted that the potential quantity and grade from the Sukari underground mine is conceptual in nature, that there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the target being delineated as a mineral resource.

Depreciation of capitalised underground mine development costs

Depreciation of capitalised underground mine development costs at the Sukari mine is based on reserve estimates. Management and directors believe that these estimates are both realistic and conservative, based on current information.

EMRA profit share

Payments made to EMRA pursuant to the provisions of the Concession Agreement are recognised as a variable charge in the income statement (below profit after tax) of Centamin, which leads to a reduction in the earnings per share. The profit share payments during the year will be reconciled against SGM's audited June 2017 financial statements. Any variation between payments made during the year (which are based on the Company's estimates) and the audited financial statements, may result in a balance due and payable to EMRA or advances to be offset against future distributions.

Egyptian Pound

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

Accounting policies

Basis of preparation

These financial statements are denominated in US dollars ("US$"), which is the presentational currency of Centamin plc. All companies in the group use the US$ as their functional currency except for the UK subsidiaries which are denominated in Great British pounds ("GBP") and the Australian subsidiaries which are denominated in Australian dollars ("A$"). All financial information presented in United States dollars has been rounded to the nearest thousand dollars, unless otherwise stated.

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and adopted for use by the European Union and interpretations issued from time to time by the IFRS Interpretations Committee ("IFRS IC") both as adopted by the European Union (EU) and which are mandatory for EU reporting as at 31 December 2016, the Companies (Jersey) Law 1991, and IFRS as issued by the IASB and interpretations issued from time to time by the IFRS IC which are mandatory as at 31 December 2016, therefore the group financial statements comply with Article 4 of the EU IAS Regulation. The group has not early adopted any other amendments, standards or interpretations that have been issued but are not yet mandatory.

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

Principles of consolidation

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

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

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

Sukari Gold Mines ("SGM") is jointly owned by PGM and EMRA on a 50% basis. For accounting purposes, SGM is wholly consolidated within the Centamin group of companies reflecting the substance and economic reality of the Concession Agreement (see note 22) and will therefore recognise a non-controlling interest ("NCI") for EMRA's participation. Furthermore based on the requirements of the Concession Agreement, payments to NCI meet the definition of a liability and will be recorded in the income statement and statement of financial position (below profit after tax), as the EMRA profit share, on the date that a net production surplus becomes available. Payment made to EMRA pursuant to the provisions of the Concession Agreement is based on the net production surplus available as at 30 June, being SGM's financial year end. Pursuant to the Concession Agreement, the provisions of which are described more fully below, whilst PGM is responsible for funding SGM's activities, PGM is also entitled to recover the following costs and expenses payable from sales revenue (excluding the royalty payable to the Arab Republic of Egypt ("ARE")): (a) all current operating expenses incurred and paid after the initial commercial production; (b) exploration costs, including those accumulated to the commencement of commercial production (at the rate of 33.3% of total accumulated cost per annum); and (c) exploitation capital costs, including those accumulated prior to the commencement of commercial production (at the rate of 33.3% of total accumulated cost per annum).

EMRA is entitled to a share of 50% of SGM's net production surplus ("EMRA Profit Share") (defined as revenue less payment of the fixed royalty to Arab Republic of Egypt ("ARE") and recoverable costs). However, in accordance with the terms of the Concession Agreement, in the first and second years in which there is a Profit Share, PGM will be entitled to an additional 10% of net production surplus and an additional 5% in the third and fourth years.. Any payment made to EMRA pursuant to these provisions of the Concession Agreement will be recognised as a variable charge in the income statement (below profit after tax) of Centamin, which will lead to a reduction in the earnings per share.

Going concern

These financial statements for the year ended 31 December 2016 have been prepared on a going concern basis, which contemplate the realisation of assets and liquidation of liabilities during the normal course of operations.

The group meets its day-to-day working capital requirements through existing cash resources. As discussed in Note 21, the operation of the mine has been affected by two legal actions. The first of these followed from a decision taken by Egyptian General Petroleum Corporation ("EGPC") to charge international, not local (subsidised) prices for the supply of DFO, and the second arose as a result of a judgment of the Administrative Court of first instance in relation to, amongst other matters, the Company's 160km2 exploitation lease. In relation to the first decision, the Company remains confident that in the event that it is required to continue to pay international prices, the mine at Sukari will remain commercially viable. Similarly, the Company remains confident that the appeal it has lodged in relation to the decision of the Administrative Court will ultimately be successful, although final resolution of it may take some time. On 20 March 2013 the Supreme Administrative Court upheld the Company's application to suspend the decision until the merits of the Company's appeal were considered and ruled on, thus providing assurance that normal operations will be able to continue during this process.

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

Having assessed the principal risks and the other matters discussed in connection with the long term viability statement (refer to the risk management report included within the annual report), the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Non-GAAP financial measures

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

(1) EBITDA

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

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

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

Reconciliation of profit before tax to EBITDA

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

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

(2) Cash cost per ounce calculation:

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

Reconciliation of cash cost per ounce

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

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

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

Reconciliation of AISC per ounce

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

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

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

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

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

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

Internal controls

Financial reporting controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to management, including the CEO and CFO, on a timely basis so that appropriate decisions can be made regarding public disclosure. Management, with the participation of the certifying officers, has evaluated the effectiveness of the design and operation, as of 31 December 2016, of the company's disclosure controls and procedures (as defined by the Canadian Securities Administrators). Based on that evaluation, the certifying officers have concluded that such disclosure controls and procedures are effective and designed to ensure that material information relating to the company and its subsidiaries is made known to them by others within those entities.

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of our financial reporting and compliance with generally accepted accounting principles in our financial statements. Management evaluated at implementation the design of internal controls over financial reporting and has concluded that such internal controls over financial reporting are effective and are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards ("IFRS") as issued by IASB and adopted by the European Union ("EU IFRS"). In addition, there have been no changes in the company's internal control over financial reporting during the year ended 31 December 2016 that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

Financial instruments

At 31 December 2016, the group has exposure to interest rate risk which is limited to the floating market rate for cash.

The group does not have foreign currency risk for non-monetary assets and liabilities of the Egyptian operations as these are deemed to have a functional currency of United States dollars. The group has no significant monetary foreign currency assets and liabilities apart from Australian dollar cash term deposits.

The group currently does not engage in any hedging or derivative transactions to manage interest rate or foreign currency risks.

Foreign investment in Egypt

Foreign investments in the petroleum and mining sectors in Egypt are governed by individual production sharing agreements (concession agreements) between foreign companies and the Ministry for Petroleum and Mineral Resources or the Egyptian Mineral Resource Authority ("EMRA") (as the case may be) and are individual Acts of Parliament.

Title, exploitation and development rights to the Sukari Gold Mine are granted under the terms of the Concession Agreement promulgated as Law No. 222 of 1994, signed on 29 January 1995 and effective from 13 June 1995. The Concession Agreement was issued by way of Presidential Decree after the approval of the People's Assembly in accordance with the Egyptian Constitution and Law No. 61 of 1958. The Concession Agreement was issued in accordance with the Egyptian Mines and Quarries Law No. 86 of 1956 which allows for the Ministry to grant the right to parties to explore and mine for minerals in Egypt.

Whilst the company is the first foreign company to develop a modern large-scale gold mine in Egypt there is significant foreign investment in the petroleum sector. Several large multinational oil and gas companies operate in Egypt, some of which have long histories in the country and have dedicated significant amounts of capital. The company believes that the track record of foreign investment established by these companies in the petroleum sector is an important indication of the ability of foreign companies to attract financing and receive development approvals for the construction of major mining projects in Egypt.

Egyptian court litigation

As discussed elsewhere in this document the company was involved in two separate actions. The first 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 Cairo in relation to the company's 160km^2 exploitation lease.

Concession agreement court case

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

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

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

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

The Company has taken extensive legal advice on the merits of its appeal from a number of leading Egyptian law firms who have confirmed that the proper steps were followed with regard to the grant of the 160km^2 lease. In addition, the Company has been advised that it should benefit from Law no. 32 of 2014, which came into force in April 2014 and which restricts the capacity for third parties to challenge any contractual agreement between the Egyptian government and an investor. This law, whilst in force and ratified by the new parliament, is currently under review by the Supreme Constitutional Court of Egypt. It therefore remains of the view that the appeal is based on strong legal grounds and will ultimately be successful. The appeal was stayed by the Supreme Administrative Court in June 2016 until the Supreme Constitutional Court rules on the validity of Law 32 of 2014. If the Supreme Constitutional Court upholds Law 32, the group is advised that it will benefit from its provisions. In the event that the Supreme Constitutional Court rules that Law 32 is invalid, the group remains confident that its appeal will be successful on the merits.

In the event that the appellate court fails to be persuaded of the merits of the case put forward by the group, the operations at Sukari may be adversely effected to the extent that the group's operation exceeds the exploitation lease area of 3km^2 referred to in the original court decision.

The Company remains confident that normal operations at Sukari will be maintained whilst the appeal process is underway. Centamin does not currently see the need to take the matter to a court outside of Egypt as Centamin remains of the belief that the Egyptian Court will rule in Centamin's favour.

Further details about this litigation are set out in Note 21 to the financial statements and in the most recently filed Annual Information Form ("AIF") which is available on SEDAR at www.sedar.com.

Diesel fuel court case

In January 2012, the group received a letter from Chevron (its then fuel supplier) to the effect that Chevron would not be able to continue supplying Diesel Fuel Oil ("DFO") to the mine at Sukari at local subsidised prices. It is understood that the reason that this letter was issued was that Chevron had received a letter instructing it to do so from the Egyptian General Petroleum Corporation ("EGPC"). It is understood that EGPC itself took the decision to issue this instruction because it had received legal advice from the Legal Advice Department of the Council of State (an internal government advisory department) that the companies operating in the gold mining sector in Egypt were not entitled to such subsidies. In addition, during 2012, the Company received a demand from Chevron for the repayment of fuel subsidies received in the period from late 2009 through to January 2012, for EGP403 million (approximately US$21.8 million at current exchange rates).

The group has taken detailed legal advice on this matter (and, in particular, on the opinion given by Legal Advice Department of the Council of State) and in consequence in June 2012 lodged an appeal against EGPC's decision in the Administrative Courts. Again, the group believes that its grounds for appeal are strong and that there is every prospect of success. However, as a practical matter, and in order to ensure the continuation of supply, the group has since January 2012 advanced funds to its fuel supplier, Chevron, based on the international price for diesel. As at the date of the financial statements, no final decision had been taken by the courts regarding this matter.

As at the date of this document, no decision had been taken by the courts regarding this matter. In September 2016, the State Commissioner's Office produced a report containing non-binding recommendations for the Administrative Court in which the case is proceeding. The report's findings were unfavourable to the group. The group's legal advisers do not believe the report properly addresses the substantive merits of the group's case and, as such, the Company continues vigorously to pursue its claim. The Company has prepared a response to the report which it will submit at the next hearing in the case. The group remains of the view that an instant move to international fuel prices is not a reasonable outcome and will look to recover funds advanced thus far should the court proceeding be successfully concluded. However, management recognises the practical difficulties associated with reclaiming funds from the government and for this reason has fully provided against the prepayment of US$231.2 million. Refer to note 12 of the accompanying financial statements for further details on the impact of this provision on the group's results for 2016.

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

Further details about this litigation are set out in Note 21 to the financial statements and in the most recently filed AIF which will be available on SEDAR at www.sedar.com.

Principal risks affecting the Centamin Group

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

The descriptions below describe the current status of the principal risks affecting Centamin and its operational and exploration activities together with the measures to mitigate risk.

STRATEGIC RISK: Single project dependency (Neutral)

Nature of risk	Company objective / strategy	Owner
The Sukari Project currently constitutes Centamin's main mineral resource and sole mineral reserve and near-term production and revenue. The resource in Burkina Faso is not currently of a sufficient size to convert into a reserve. Until further production growth beyond Sukari is identified the potential impact remains high and safeguarding the project is paramount to the Company.	To develop a well-balanced project pipeline, with potential to add incremental shareholder value by increasing production across the group. The regional exploration of the licence portfolio in Burkina Faso and Côte d'Ivoire continues.	Executive: CEO
Mitigation – Sukari Project The project at Sukari has two distinct ore sources (open pit and underground), the processing plant has two separate floatation circuits and two separate power stations. Whilst one project, the nature of the design of the plant provides adequate mitigation and reduces the relative likelihood of dependence compared to a single layer plant design. The second circuit of the process plant has been fully operational for over 12 months which shows the resilience of the project. In addition, the plant is fed by both the open pit and underground operation, providing high and lower grade ore to the processing plant. Operational activity and production is expected to continue at above nameplate capacity. Other mitigating factors, outside the single project at Sukari, include the continued focus on longer term growth and expansion through exploration and acquisition targets both inside and outside of Egypt.		

INTERNAL STRATEGIC RISK: Sukari project joint venture risk and relationship with EMRA (Neutral)

Nature of risk	Company objective / strategy	Owner
Whilst Centamin retains control over the project, the joint venture holding company, Sukari Gold Mines ("SGM"), is jointly owned with EMRA with equal board representation from both parties. The board of SGM operates by way of simple majority. As such, should the board of SGM be unable to reach consensus on a matter requiring board level approval or in the event of any dispute that may arise which can't otherwise be amicably resolved, arbitration or other proceedings may need to be employed to resolve any disputes. The successful management of the Sukari gold mine is in part dependent on maintaining a good working relationship with EMRA. The group has regular meetings with officials from EMRA and invests time in liaising with relevant ministry and other governmental representatives.	Maintaining good relations with EMRA is a key objective of the Company which is achieved through co-operation, regular meetings and correspondence with EMRA, as well as making sure that the terms and conditions of the Concession Agreement governing the mine are fully complied with.	Executive: Chairman / CEO / CFO Operational level: GM
Mitigation – Maintaining relations: A key milestone was achieved this year, with the commencement of profit sharing with EMRA. Managing timing and quantum of payment of regular profit share payments, as well as applying and interpreting certain provisions of the Concession Agreement, is important in ensuring a good relationship with EMRA. Future expenditure and recovery of qualifying capital expenditure will also need to be managed, to be appropriately cost recovered by the Company.		

EXTERNAL STRATEGIC RISK: Gold price and currency exposure (Neutral)

Nature of risk	Company objective / strategy	Owner
The extent of the Company's financial performance is due in part to the price of gold, which the Company has no influence over. Revenues from gold sales are in US dollars and Centamin has exposure to costs in other currencies including Egyptian pounds, Australian dollars and sterling.	The Company does not currently hedge against the price of gold or exposure to currencies. Natural hedges against currency fluctuations are utilised wherever possible to offset foreign currency liabilities.	Executive: CEO / CFO

Centamin manages its exposure to gold price by keeping operating costs as low as possible.		
Mitigation: The group is 100% exposed to the gold price, however, the cash costs of the Sukari gold project remain low compared with the industry norm.		

INTERNAL STRATEGIC RISK: Jurisdictional taxation exposure (Neutral)

Nature of risk	Company objective / strategy	Owner
The group's corporate structure includes operational activity in Egypt and West Africa held through holding companies in Australia and the United Kingdom. Exposure to changing cross jurisdictional tax legislation could have an adverse effect of the Company's ability to repatriate revenues.	To minimise the complexity of the corporate structure ensuring tax neutrality within the holding group entities.	Executive: CEO CFO
Mitigation – tax exposure: The group engages tax advisors to provide local advice at an operational level as well as corporate and structuring advice at a corporate level.		

EXTERNAL STRATEGIC RISK: political risk – Sukari (Neutral)

Nature of risk	Company objective / strategy	Owner
The Company's operational activities are primarily in Egypt a country which has been subject to civil and military disturbance. Future political and economic conditions in Egypt could change with future governments adopting different policies that may impact the development and ownership of mineral resources. Policy changes and licencing may also impact the use of explosives, tenure of mineral concessions, taxation, royalties, exchange rates, environmental protection, labour relations, repatriation of income and capital. Changes may also impact the ability to import key supplies and export gold. The potential for serious impact should be balanced against the Egyptian government's support of Centamin's investment and contribution to both revenue and development of the mining industry. New laws have been introduced to protect and therefore encourage foreign investment which is a positive step for the country. Law 32 has been confirmed by Parliament, although it remains subject to a challenge in the Supreme Court.	Maintain a detailed understanding of the political environment in which we operate as well as a constructive relationships with government. The Company undertakes to abide by the spirit and letter of the Concession Agreement as well as local laws and regulations.	Executive: Chairman/ CEO / General Counsel
Mitigation: The Concession Agreement with EMRA and the Egyptian Government, was declared into Egyptian Law No. 222 of 1994 which further protects the Company's licence rights and sets the applicable tax regime for a number of years. The Law received full parliamentary approval as required by Egyptian law.		

EXTERNAL STRATEGIC RISK Political risk – West Africa (Neutral)

Nature of risk	Company objective / strategy	Owner
The Company operates in Burkina Faso and Côte d'Ivoire. There are no assurances that future political and economic conditions in these countries will not result in the governments adopting different policies in respect to foreign development and ownership of exploration and exploitation licences.	Maintain relationships with all key stakeholders, including regional governments, land owners and local chiefs. The Company meets its environmental and operational commitments set out in the permits/grants and local laws/regulations.	Executive: CEO / General Counsel Operational: GM
Mitigation: Policies have developed over many years to encourage foreign investment and the development of mining operations, which continues to be the focus of governments in these regions. Centamin actively monitors legal and political developments, engaging in dialogue with relevant government and legal policy makers to discuss all key legal and regulatory developments.		

INTERNAL OPERATIONAL RISK: Reserve and resource estimate (Neutral)

Nature of risk	Company objective / strategy	Owner
Mineral resource and reserve figures are prepared by Centamin personnel and reviewed by externally appointed independent geologists. By their nature, mineral resources and reserves are estimates based on a range of assumptions, including geological, metallurgical technical and economic factors. Other variables include expected costs, inflation rates, gold price and production outputs. There can be no guarantee that the anticipated tonnages or grades expected by Centamin will be achieved both from the underground operation or open pit.	To achieve reliable and consistent production, whilst optimising the potential of the operation. The Company provides timely and accurate information to the market on production levels and forecasts.	Executive: CEO Operational: GM
Mitigation: Management has implemented processes to continuously monitor and evaluate the current life of the Sukari Gold Mine, mine plans and production targets. The most recent technical update was completed in Form 43-101 dated 23 October 2015 and is available at www.sedar.com.		

INTERNAL OPERATIONAL RISK

Exploration development Neutral

Nature of risk	Company objective / strategy	Owner
Time and costs of exploration activity are recognised as exploration and evaluation assets (E&E Assets) on the balance sheet. E&E Assets continue to be carried on the balance sheet where there is ongoing planned activity and the right of tenure is current. There can be no guarantee that an exploration project progresses to an economic resource and therefore there remains a risk that E&E Assets are partially or fully impaired during a financial period where either a decision is made to discontinue a project or no further activity is scheduled.	To ensure a progressive pipeline of greenfield and advance stage exploration projects to serve the next stage of growth for the Company. Ensure systematic exploration programmes are carried out with costs attributed to licence areas and prospects so that they can be assessed for impairment.	Executive: CEO / CFO Operational: GM

Mitigation: The exploration for precious metal may not be successful and are highly speculative in nature. Before undertaking any exploration projects a full risk assessment in undertaken covering country risk, industry risks as well as a detailed technical review of the underlying geological data available. Management implements systematic drilling programmes across its exploration projects, with costs aggregated appropriately to licence areas and prospects.

INTERNAL OPERATIONAL RISK: Failure to achieve production estimates (Improved)

Nature of risk	Company objective / strategy	Owner
Centamin prepares annual estimates for future gold production from the Sukari Gold Mine. There can be no assurance that Centamin will achieve its production estimates and such failure could have a material and adverse effect on Centamin's future cash flows, profitability, results of operations and financial condition. It should be specifically noted that the potential quantity and grade from the Sukari underground mine is conceptual in nature, that there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the target being delineated as a mineral resource.	To achieve reliable and consistent production, whilst optimising the potential of the operation. The Company provides timely and accurate information to the market on production levels and forecasts	Executive: CEO Operational: GM
The realisation of production estimates are dependent on, amongst other things: the accuracy of mineral reserve and resource estimates; the accuracy of assumptions regarding ore grades and recovery rates; the ore tonnes and grade mined from the underground operation which are outside the current reserve base; ground conditions, skilled and motivated labour force, processing capacity and maintenance policies and logistics for consumables and parts. Whilst there can be no certainties, production to date has provided confidence in management's estimation and mine planning methods and with the fully operational expanded processing plant, the prospect of improvements in reliable forecasting is increased.		

EXTERNAL OPERATIONAL RISK: Litigation (Neutral)

Nature of risk	Company objective / strategy	Owner
Centamin's finances, and its ability to operate in Egypt, may be severely adversely affected by current and any future litigation proceedings and it is possible that further litigation could be initiated against Centamin at any time. Centamin is currently involved in litigation that relates both to (a) the validity of its exploitation lease at Sukari and (b) the price at which it can purchase Diesel Fuel Oil.	To minimise exposure to litigation and reduce the impact of actions by complying with all relevant laws and regulations and to defend and/or bring any actions necessary to protect the Company's assets, rights and reputation.	Executive: Chairman / CEO / General Counsel
Mitigation: In order to mitigate this risk Centamin has a) taken appropriate legal advice and continues actively to pursue its legal rights with respect to its existing cases (its legal advisers believe that Centamin will ultimately be successful in both of these cases); and b) actively monitors activity in both court and local media for signs of any legislative or similar developments that may threaten its operations, finances or prospects. The potential for serious impact should be balanced against Centamin's adherence to local laws and agreements; the Egyptian government's support of Centamin's investment; law 32 of 2014 that should protect Centamin against litigation by third parties; and the fact that Egypt and Australia (PGM's place of incorporation) have in place a bilateral investment treaty.		

Related party transactions

(a) Equity interests in related parties

Equity interests in subsidiaries

Details of the percentage of ordinary shares held in subsidiaries are disclosed in note 22.

Equity interests in associates and jointly controlled arrangements

Details of interests in joint ventures are disclosed in note 24.

(b) Key management personnel compensation

Details of key management personnel compensation are disclosed above in note 29.

(c) Key management personnel equity holdings

The details of the movement in key management personnel equity holdings of fully paid ordinary shares in Centamin plc during the financial period ended 31 December 2016 are as follows:

31 December 2016	Balance at 1 January 2016	Granted as remuneration ("DBSP")	Granted as Remuneration ("RSP")	Net other change[1]	**Balance at 31 December 2016**
J El-Raghy [2]	71,445,086	—	—	(17,595,714)	**53,849,372**
T Schultz	30,000	—	—	—	**30,000**
G Haslam	102,056	—	—	—	**102,056**
M Arnesen	49,000	—	—	—	**49,000**
M Bankes	150,000	—	—	—	**150,000**
A Pardey	2,968,800	—	690,000	(966,199)	**2,692,601**
R Jerrard	—	—	875,000	—	**875,000**
Y El-Raghy	780,633	—	140,000	(51,103)	**869,530**
T Smith	675,000	—	160,000	(175,000)	**660,000**
A Davidson	620,000	—	210,000	(30,000)	**800,000**
L Gregory	430,000	—	150,000	(80,000)	**500,000**
D Le Masurier	500,000	—	160,000	(120,000)	**540,000**
H Brown	650,000	—	60,000	(250,000)	**460,000**

1) "Net other change" relates to the on market acquisition or disposal of fully paid ordinary shares.
2) Includes the El-Raghy family

(d) Key management personnel share option holdings

There were no options held, granted or exercised during the year by directors or senior management in respect of ordinary shares in Centamin plc.

30. Related party transactions (continued)

(e) Other transactions with key management personnel

The related party transaction for the year ended 31 December 2016 is summarised below:

Josef El-Raghy is a director and shareholder of El-Raghy Kriewaldt Pty Ltd ("El-Raghy Kriewaldt"). El-Raghy Kriewaldt provides office premises to the Company. All dealings with El-Raghy Kriewaldt are in the ordinary course of business and on normal terms and conditions. Rent and office outgoings paid to El-Raghy Kriewaldt during the period were A$69,600 or US$51,710 (31 December 2015: A$62,595 or US$46,820).

(f) Transactions with the government of Egypt

Royalty costs attributable to the government of Egypt of US$20,574,673 (2015: US$15,197,860) were incurred in 2016.

Profit share to EMRA of US$51,253,333 was incurred in 2016.

(g) Gold Sales Agreement

On 20 December 2016, SGM entered into a contract with the Central Bank of Egypt ("CBE"). The agreement provides that the parties may elect, on a monthly basis, for the CBE to supply SGM with its local Egyptian currency requirements for that month (approximately EGP 50 million). In return, SGM will provide the equivalent amount in US Dollars to purchase refined gold bullion from SGM's refiner, Asahi Refining, on CBE's behalf. This transaction has been entered into as SGM requires local currency for its operations in Egypt (it receives its revenue for gold sales in US dollars). No transactions have been entered into at the date of this report, pursuant to this agreement.

(h) Transactions with other related parties

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

During the financial period, the Company recognised tax payable in respect of the tax liabilities of its wholly owned subsidiaries.

Payments to/from the Company are made in accordance with terms of the tax funding arrangement.

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

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

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

Subsequent events

For further information, see Note 32 to the financial statements.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

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

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

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

QUALIFIED PERSON AND QUALITY CONTROL

Information of a scientific or technical nature in this document was prepared by qualified persons under the Canadian National Instrument 43-101.

Refer to the technical report entitled “Mineral Resource and Reserve Estimate for the Sukari Gold Project, Egypt” dated 30 June 2015 and filed on SEDAR at www.sedar.com, for further discussion of the extent to which the estimate of mineral resources/reserves may be materially affected by any known environmental, permitting, legal, title, taxation, socio-political, or other relevant issues.