CENTAMIN EGYPT LIMITED

ABN 86 007 700 352

Annual Report

31 December 2010

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ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

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COMPANY PARTICULARS

DIRECTORS
Mr Josef El-Raghy, Executive Chairman
Mr Harry Michael, Chief Executive Officer
Mr Trevor Schultz, Executive Director of Operations
Mr Colin Cowden, Non Executive Director
Dr Thomas Elder, Non Executive Director
Professor G Robert T Bowker, Non Executive Director
Mr Mark Arnesen, Non Executive Director
Mr Mark Bankes, Non Executive Director

COMPANY SECRETARY
Mrs Heidi Brown

CHIEF FINANCIAL OFFICER
Mr Mark Di Silvio

GENERAL MANAGER – EGYPT
Mr Youssef El-Raghy

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BANKERS
Australia
National Australia Bank Limited
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Perth WA 6000

Egypt
Commercial International Bank
Sultan Hussein Branch
Alexandria, Egypt

HSBC Egypt
Gleem Branch
Alexandria, Egypt

United Kingdom
Clydesdale Bank Plc
50 Lothian Road
Edinburgh EH3 9BY

AUDITORS
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FINANCIAL PUBLIC RELATIONS ADVISER
Buchanan Communications
45 Moorfields, London EC2Y 9AE
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STOCK EXCHANGES
The Company is listed on the following two stock exchanges:
- the Main Market of the London Stock Exchange (LSE:CEY) and
- the Toronto Stock Exchange (TSX:CEE).

The Primary Listing is in London.

LOCATION OF REGISTERS OF SECURITIES
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100 University Avenue, 8th Floor
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CHAIRMAN'S REPORT

Dear Shareholders

With the Company now adopting calendar year for the fiscal year herewith please find our report for the six month period from end of June to end of December 2010 to align the Company's reporting activities from 2011 onwards. Your company is well positioned for strong growth in 2011 and beyond due to a strong financial position, a sound operating base at Sukari and a number of expansion projects underway to deliver substantially higher returns in the coming years.

Total gold production of 83,432 ounces was achieved during the financial period at an average cash cost of $549 per ounce. Throughout most of 2010, production was impeded by the polymetallic liner and lifter system within the SAG Mill which repeatedly shut down or slowed process operations. This was replaced with a steel liner and lifter system in early November with results to date clearly demonstrating the appropriate selection of liner configuration is now in place. This along with improved recoveries, open pit and underground (development) ore rates resulted in record gold production being achieved in November and December of approximately 20,000 per month.

The project's safety performance was also in line with international industry standard with a lost time injury frequency rate of 0.47 per 200,000 manhours achieved during the period a significant achievement in the first calendar year of commercial production in an environment with no modern mining industry prior to the Sukari development. It was also pleasing to note no significant environmental incidents took place for the period.

Financially, your company was able to achieve a net profit before tax of $32M for the six months ended 31 December 2010. At the end of the financial year the Company held over $166 million in cash and bullion, had no debt, no hedging and is well placed to fund the planned Sukari expansion from Sukari cash flow.

Following the completion of Stage 1 and Stage 2 commissioning activities during the first half of 2010, the core construction team personnel immediately focused on Stage 3 (5Mtpa) plant expansion activities. Construction activities have progressed well, with steel erection on the transfer tower, crusher building and screening building well advanced. Installation of the secondary crushing equipment has also commenced. The Stage 3 expansion remains on track for completion by mid 2011.

The Stage 4 (10Mtpa) Scoping Study was completed during the fourth quarter of 2010. The preferred process flow route selected was a conventional SAG/Ball Mill grinding configuration (similar to the current plant configuration) due to its comparable economics and existing site operating knowledge with the Sukari orebody. Final Board commitment for the Stage 4 expansion is expected during the first half of 2011, following completion of front end engineering and design activities. Stage 4 completion is targeted to occur in 2012 with the goal of achieving +500,000oz per annum of gold production.

In conjunction with open pit development, underground development progressed well throughout the financial period with almost 4km of development work completed to date, and the commencement of ore drive development during last quarter of 2010. Following the intersection of the high grade Hapi Zone mineralisation as expected at the 920 level, maiden underground development ore was mined with 39,577 tonnes @ 6.1g/t produced during the financial period.

A total of 672m of underground definition drilling was completed during the quarter. This work will enable your company to determine the appropriate stoping design and mining method for underground operations. This work is scheduled for completion during mid-2011 before the commencement of commercial ore production.

I would like to close by thanking all those at Sukari, in Alexandria and Perth for their tireless efforts in 2010 where the Company completed it's transition from junior explorer to a significant gold producer. Furthermore, I would like to thank the Board for their counsel during the year, as well as the Ministry of Petroleum and our partners in Sukari, the Egyptian Mineral Resource Authority (EMRA).

Your company is now well positioned to deliver the next phase of growth and development to you and I look forward to realising this vision for you.

Josef El-Raghy
Chairman

REVIEW OF OPERATIONS

Centamin Egypt Limited ("Centamin" or "the Company") is a mineral exploration, development and mining company that has been actively exploring in Egypt since 1995. The Company's principal asset is the Sukari Gold Project, located in the Eastern Desert of Egypt.

For the financial period ended 31 December 2010, 83,432 ounces of gold was produced from the Sukari Gold Mine. A total of 3.8Mt of ore @ 1.19g/t Au was mined for the period from Stage 1 and 2 of the open pit at an average waste to ore ratio of 1.85:1. During the period, mine development has progressed into the higher grade sulphide zones with improving production rates. The increase in production is attributable to improved excavator productivity, coupled with the production benefit from the fourth Terex RH120 excavator, which began production during Q3 2010. Mining of the Stage 1 pit was completed through to the 1052mRL and Stage 2 mining progressed to the 1136mRL. Mining also commenced in Stage 1A cutback on the eastern flank of Stage 1, with mining completed to the1100mRL.

OPERATIONAL PERFORMANCE

		Financial Period ended 31 December 2010
Ore Mined	('000t)	3,805
Total Mined	('000t)	10,891
Mine Head Grade	(g/t)	1.19
Strip Ratio	waste/ore	1.85
Ore Processed	('000t)	1,378
Mill Head Grade	(g/t)	2.06
Gold Recovery	(%)	85.4
Gold Produced (1)	(oz)	83,432
Cash Operating Cost of Production (2)	US$/oz	549
Gold Sold	(oz)	66,378
Average Sales Price	US$/oz	1,308

(1) Gold produced is gold poured and does not include gold-in-circuit at period end.
(2) Cash operating costs excludes royalties, exploration and corporate administration expenditure.

A variety of ancillary equipment to support mining and related project activities was delivered during the quarter. A CAT993K front end loader is currently being commissioned, whilst three CAT785C 150t dump trucks and further ancillary equipment are scheduled for delivery during the first half of 2011 to support the projected increase in mining volume and as part of the 5Mtpa plant expansion.

Total process plant throughput for the year was 1.4Mt at an average grade of 2.06g/t. Process rates were impacted by unscheduled stoppages to replace prematurely worn or damaged SAG mill liners and lifters. To mitigate this issue, the plant management team introduced a steel liner system in early November 2010, replacing the polymet liner system, which should bring reline schedules more closely to design expectations and improve mill availability. Following the introduction of the steel liner system in early November, record gold production was achieved during November and December. Dump leach trialing also continued throughout the financial period with 5,436 ounces of gold recovered during the second half of 2010. Total placement of low grade oxide currently stands at over 2.8Mt at an average dumped grade of 0.5 g/t with about 50% of this tonnage under irrigation.

Cash cost per ounce for the financial period was $549, which was higher than expected due primarily to lower gold production associated with the intermittent failure of the polymet liner system. Cost per ounce is expected to decrease throughout 2011 as feed grade and plant availability improve.

UNDERGROUND MINE DEVELOPMENT

Underground development continued at Sukari with a decline development advance of 1,735 metres, (inclusive of main decline, ventilation decline and escape way) completed for the financial period. Following the intersection of the high grade Hapi Zone mineralisation as expected at the 920 level, a total of 39,577 tonnes @ 6.1g/t of development ore was produced during the financial period. As at 31 December 2010, ore drive development had continued through to the 905 level.

A total of 672m of underground definition drilling was completed during the quarter. Determination of the optimal underground mining method shall take place during the first half of 2011, following completion of definition drilling program.

SUKARI PROJECT EXPANSION

Stage 3 (5Mtpa Expansion)

The Stage 3 expansion project primarily involves installation of a secondary crushing circuit and related infrastructure that will be integrated into the existing process plant crushing circuit. Stage 3 is targeting a mill throughput increase of 25% to 5Mtpa and project completion is expected in mid 2011. As at the end of December 2010, construction activities have progressed well, with steel erection on the transfer tower, crusher building and screening building well advanced. Installation of the secondary crushing equipment is scheduled to commence early in 2011.

Stage 4 (10Mtpa Expansion)

As a part of the Stage 4 development, a scoping study was initiated in early 2010 to determine the optimum process flow route for a plant expansion of up to 10Mtpa. Initial test work has indicated a number of crushing and grinding alternatives exist to achieve this outcome. Upon completion of the study late in 2010, the preferred process flow route selected was a conventional SAG/Ball Mill grinding configuration (similar to the current plant configuration) due to its comparable economics and existing site operating knowledge with the Sukari orebody. Stage 4 completion is targeted to occur in 2012.

EXPLORATION ACTIVITIES

During the financial period, resource definition drilling continued to be mainly concentrated in the Hapi, Amun Deeps and Pharaoh zones. The drilling program continues to show success in targeting the down dip and along strike extension of the Hapi Zone and other parallel high grade structures within the main porphyry (Figure 2). These zones along the entire strike length of Sukari Hill (2.5km) are the target of the comprehensive infill and extension drilling with 8 diamond coring rigs.

Measured and Indicated ("M&I") resources are estimated to be 235.73Mt @ 1.45g/t Au for 10.99Moz Au with additional Inferred resources of 68.9Mt @ 1.6g/t for 3.5Moz (Table 1).

Table 1 - Total Resource

	Measured		Indicated		Total Measured + Indicated			Inferred		
Cut-off	Tonnes	Grade	Tonnes	Grade	Tonnes	Grade	Gold	Tonnes	Grade	Gold
g/t Au	(Mt)	(g/t Au	(Mt)	(g/t Au	(Mt)	(g/t Au	(Moz)	(Mt)	(g/t Au)	(Moz)
0.5	**84.01**	**1.42**	**151.72**	**1.47**	**235.73**	**1.45**	**10.99**	**68.9**	**1.6**	**3.5**
0.7	61.23	1.72	112.85	1.77	174.08	1.75	9.81	50.1	2.0	3.2
1	40.54	2.17	75.95	2.22	116.49	2.20	8.26	33.8	2.5	2.7

Note to Table: Figures in table may not add correctly due to rounding. Proven and probable ore reserves are included in mineral resources.

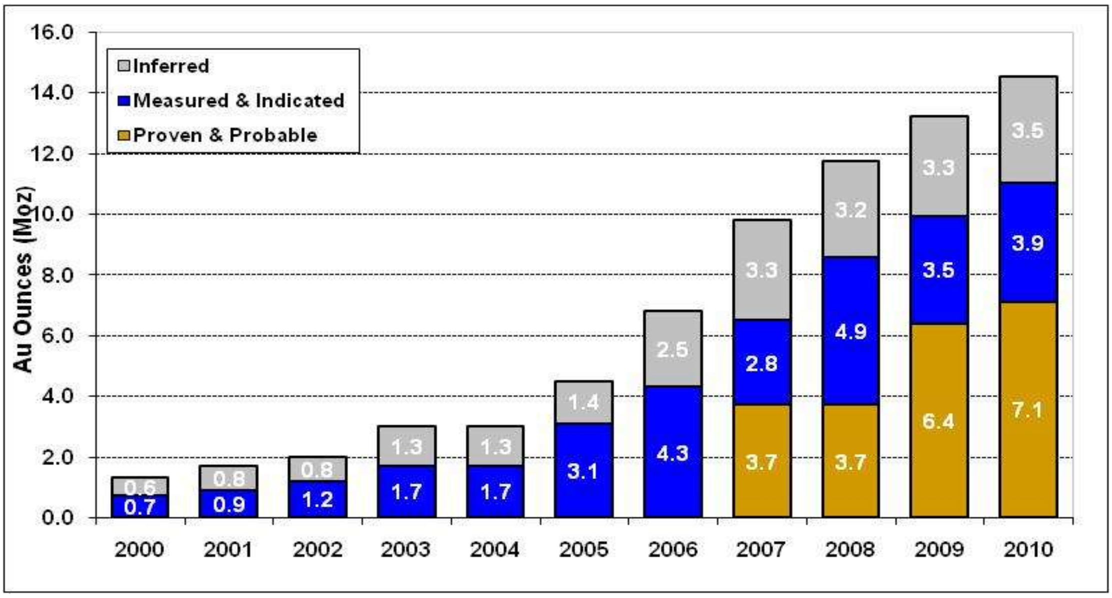


Figure 1 – Sukari Resource Growth from 2000 to 2010

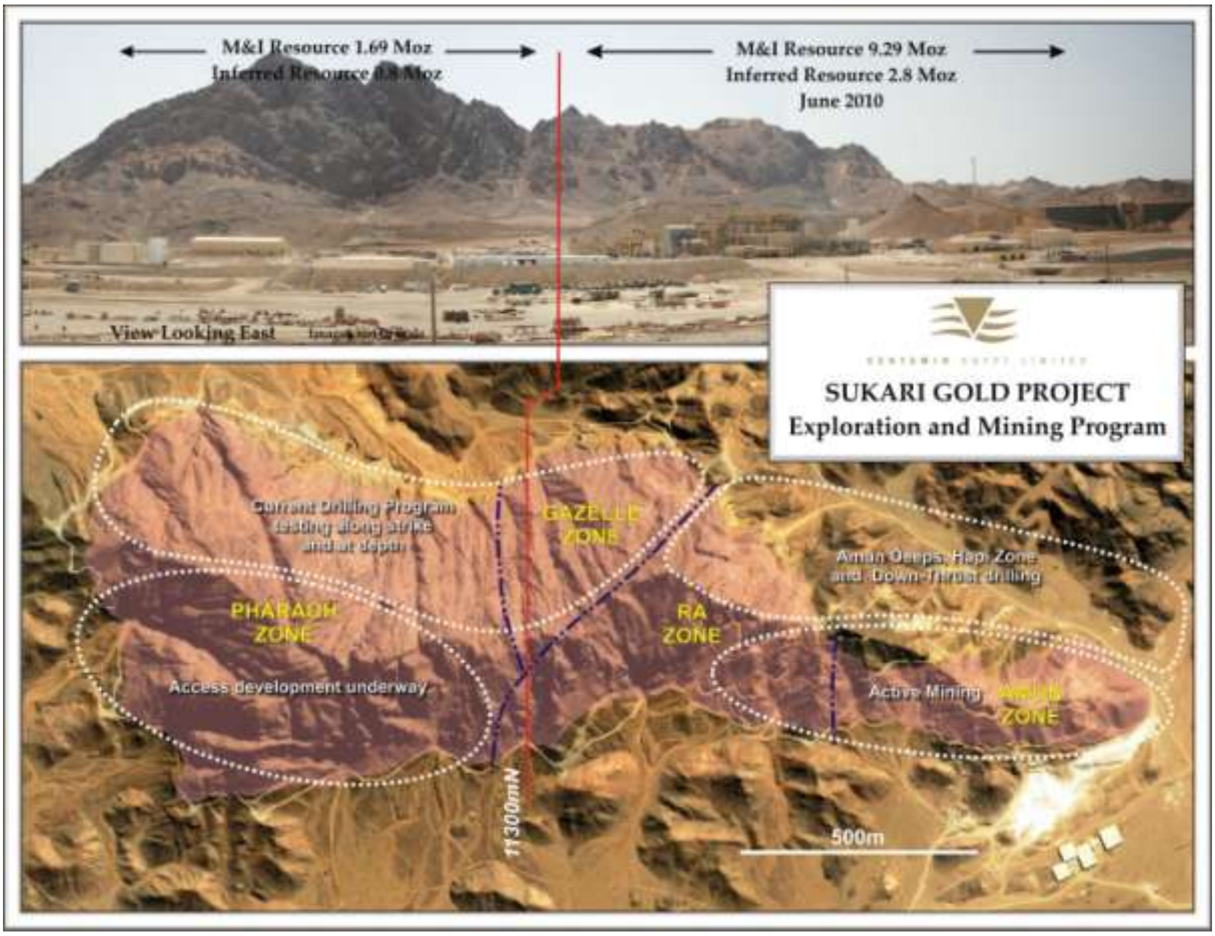


Figure 2 – Plan View of Sukari Porphyry with Upgraded Resource Distribution

SUKARI MINERAL RESERVE

During the financial period, mineral reserves were increased in relation to the Sukari Gold Project.

The total Sukari mineral reserves stand at 9.1 million ounces, an increase of 2.0 million ounces from the previously reported 7.1 million ounces (February 2010). The new mineral reserves are based on drilling up to 1 August 2010 and a gold price of US$900 per ounce. Details of the new reserves calculated for Sukari are listed in the table below.

Table 2 - Sukari Open Pit Mineral Reserve Estimate (as at September 2010)
(reported at a cut-off grade of 0.4 g/t Au for oxide and sulphide material and 0.5 g/t for transitional)

	Proven		**Probable**		**Mineral Reserve**		
	Tonnes (Mt)	**Au (g/t)**	**Tonnes (Mt)**	**Au (g/t)**	**Tonnes (Mt)**	**Au (g/t)**	**Cont Au (Moz)**
New Reserve	102.4	1.09	142.9	1.19	245.4	1.15	9.1
Previous Reserve	69.1	1.37	90.1	1.41	159.3	1.39	7.1

Note: new reserve figure includes 3.1Mt @ 0.58g/t for 57,807ozs of stockpile material in the proven category

AUSTRALIAN PROJECTS

The Company is entitled to a royalty over the Nelson's Fleet gold project near St Ives, Western Australia, from the St Ives Gold Mining Co Pty Ltd, a subsidiary of Gold Fields Ltd. The Company has not been informed of any mining of the tenement to date.

COMPETENT PERSONS STATEMENT

Quality Assurance and Control and Qualified Person

The information in this report that relates to ore reserves has been compiled by Mr Andrew Pardey. Mr Pardey is a Member of the Australasian Institute of Mining and Metallurgy and is a full time employee of the Company. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking, to qualify as a "Competent Person" as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and is a "Qualified Person" as defined in the "National Instrument 43-101 of the Canadian Securities Administrators" and "CIM Definition Standards For Mineral Resources and Mineral Reserves" of December 2005 as prepared by the CIM Standing Committee on Reserve Definitions of the Canadian Institute of Mining. Mr Pardey's written consent has been received by the Company for this information to be included in this report in the form and context which it appears.

Information in this report which relates to exploration, geology, sampling and drilling is based on information compiled by geologist Mr Richard Osman who is a full time employee of the Company, and is a member of the Australasian Institute of Mining and Metallurgy with more than five years experience in the fields of activity being reported on, and is a 'Competent Person' for this purpose and is a "Qualified Person" as defined in "National Instrument 43-101 of the Canadian Securities Administrators". His written consent has been received by the Company for this information to be included in this report in the form and context which it appears.

All exploration and resource samples were analysed by Ultra Trace Pty Ltd, Canning Vale, Western Australia. All mine based production samples were analysed by Sukari Assay Laboratory, Egypt.

The information in this report that relates to mineral resources is based on work completed by Mr Nicolas Johnson, who is a Member of the Australian Institute of Geoscientists. Mr Johnson is a full time employee of Hellman and Schofield Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a "Competent Person" as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and is a "Qualified Person" as defined in "National Instrument 43-101 of the Canadian Securities Administrators". Mr Johnson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Refer to the Technical Report which was filed in December 2010 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, marketing or other relevant issue.

DIRECTORS' REPORT

The Directors of Centamin Egypt Limited submit herewith the annual financial report of the Company for the financial period ended 31 December 2010. In order for the Company to comply with the provisions of the Corporations Act 2001, the Directors' Report is as follows:-

DIRECTORS

The names and particulars of the Directors of the Company during or since the end of the financial period are:-

Mr Josef El-Raghy B.Comm
Executive Chairman (appointed 3 March 2010), age 39
Director since 26 August 2002

Josef El-Raghy was Managing Director/CEO of the Company until 3 March 2010. Mr El-Raghy holds a Bachelor of Commerce Degree from the University of Western Australia and had a ten year career in stock broking. He was formerly a director of both CIBC Wood Gundy and Paterson Ord Minnett. His expertise in international capital markets has greatly assisted the Company in its fundraising and development activities. Mr El-Raghy was also a director of ISIS Resources Plc (now Verona Pharma Plc) from 24 February 2005 to 18 September 2006.

Mr Harry Michael B. Mining Engineering (Hons), Member AusIMM, Member AICD
Chief Executive Officer, age 48
Director since 3 March 2010

Mr Michael was Executive Director, Chief Operating Officer and Vice President of Operations of Equinox Minerals Limited (TSX:EQN), between 2004 and 2009 where he oversaw the development, commissioning and operation of the large scale Lumwana Copper Mine in Zambia, one of the largest new copper mines to be developed in recent years. In addition he was responsible for all Government negotiations in securing various fiscal and other operating licence agreements necessary for project development. Prior to joining Equinox, he was responsible for completing the bankable feasibility study ("BFS") for the Sukari Gold Project, Centamin's flagship mine, during 2003 and 2004. His past experience includes the role of Chief Executive Officer of Geita Gold Mine (AngloGold Ashanti) in Tanzania from 1998 to 2002, one of the largest gold mines in Africa, producing 500,000 ounces of gold per annum, where he was responsible for the construction and operation of the mine. Prior to this, Mr Michael was General Manager of the Iduapriem Gold Mine in Ghana (AngloGold Ashanti) from 1995 to 1998 and was responsible for various CIL and Heap Leach expansions as well as operations. He has held senior management roles in Granny Smith Gold Mine in Western Australia (Barrick Gold – 1994 to 1998) and Porgera Gold Mine in Papua New Guinea (majority owned by Barrick – 1990 to 1994) as well as other operational roles in the gold and iron ore sectors of the Australian mining industry. Mr Michael has also held a non executive director position with Red Back Mining Inc (TSX:RBI) from 2003 to March 2010, playing a key role in the growth and strategic direction of the company during the time while Redback grew from and explorer through to a major gold producer.

Mr Trevor Schultz M.A (ECON), M.Sc (Min Eng)
Executive Director of Operations, age 69
Director since 20 May 2008

Mr Schultz has a Masters Degree in Economics from Cambridge University, a Masters of Science Degree in Mining from the Witwatersrand University and completed the Advanced Management Program at Harvard University. With more than 40 years experience at the executive management and board level with leading international mining companies, including BHP, RTZ/CRA, Pegasus Gold and Ashanti Goldfields, Trevor was most recently the President and CEO of Guinor Gold Corporation. His roles have included development of several new mining operations in Africa, South America and the U.S.A., negotiations with various governments and their agencies and project financing and capital raisings. Mr Schultz is currently a director of Pacific Road Capital Management. From 1 April 2003 until 31 December 2005, Mr Schultz was a director of Guinor Gold Corporation, from 1 December 2003 to 15 June 2006 was a director of Southern Era Pty Ltd and from 1 October 1996 to 31 December 2003 was a director of Ashanti Goldfields Pty Ltd.

Mr Colin Cowden FAII, ASA, ACIS, ACIM, FNIBA, CD
Non Executive Director, age 67
Chairman Audit Committee
Member Remuneration Committee
Director since 08 March 1982

Colin Cowden is the Executive Chairman of Cowden Limited, a licensed insurance broking company formed in 1972. Cowden Limited is a prominent broking firm in Western Australia with branch offices in Sydney, Melbourne and Adelaide. Mr

Cowden is a qualified accountant and Chartered Secretary, and is a Fellow of the Australian Insurance Institute. Mr Cowden has been a director of Wentworth Holdings Limited since 26 October 2005, and from 27 November 1998 until 27 October 2005, was a director of OAMPS Limited.

Dr Thomas G. Elder PhD, FIMMM, FGS
Non Executive Director, age 71
Chairman Remuneration Committee
Member Compliance/Corporate Governance Committee
Director since 08 May 2002

Dr Elder is a geology graduate of Durham University and post-graduate NATO Scholar at the University of Oslo. His extensive background in mineral exploration was gained with major companies including BP and Rio Tinto. Dr Elder ran exploration programmes in the UK, Spain, Italy, Portugal and Greenland for Cominco, prior to his appointment as worldwide Exploration Manager for BP Minerals in 1983. Following the take-over by Rio Tinto in 1989, he was a director of Rio Tinto Exploration Limited until 1995, focusing on project development in the Former Soviet Union. Dr Elder was a non executive director of Angus & Ross from 12 January 2006 to 31 January 2009 and, having held the position of President from 4 October 1998 to 30 September 2007, Dr Elder stepped down as President but remained a non executive director of Mano River Resources Inc until 25 June 2009.

Professor G. Robert Bowker PhD, GAICD
Non Executive Director, age 61
Member Remuneration Committee
Member Audit Committee
Member Compliance/Corporate Governance Committee
Director since 21 July 2008

Professor Bowker retired from the Australian Foreign Service in June 2008 after a 37 year career specialising in Middle East issues. He was Australian Ambassador to Egypt (2005 to 2008) and Jordan (1989 to 1992), in addition to postings in Syria (1979 to 1981) and Saudi Arabia (1974 to 1976). Professor Bowker was accredited from Cairo as a non-resident ambassador to Libya, Sudan, Syria and Tunisia. Professor Bowker has a PhD from the Centre for Arab and Islamic Studies, Australian National University 2001, an MA from the Centre for Middle East and Central Asian Studies, Australian National University 1995, a BA (Hons) Indonesian and Malayan Studies and Political Science, Melbourne University 1970 and completed an RAF Arabic course, Beaconsfield, UK 1988.

Mr Mark Arnesen B.Comm B.Acc CA(S.A)
Non Executive Director, age 51
Chairman of Audit Committee (from 24 February 2011)
Director since 24 February 2011

Mr Arnesen has extensive expertise in the structuring and negotiation of finance for major resource projects. He is a Chartered Accountant with over 20 years experience in the international resources industry, including a role with the Billiton/Gencor group companies where he was a corporate Treasurer from 1996 to 1998. In 2000 Mr Arnesen joined Ashanti Goldfields Company Limited as Managing Director - International Treasury and held the position until 2004. From 2004 until 2006 he worked with Equinox Minerals Limited and put in place the Lumwana project financing. In November 2006 he joined Moto Goldmines limited as the financial Director and held the position until the company was taken over by Randgold Resources Limited in late 2009. He was a Non-Executive Director of Natasa Mining Limited (2006-2010) and now sits on their Advisory Board. He was a Non -Executive Director of Asian Mineral Resources during 2010. He is currently the sole director of ARM Advisors Proprietary Limited. Mr Arnesen serves as a Member of the South African Institute of Chartered Accountants and holds a Bachelor of Commerce and Bachelor of Accounting degrees from the University of the Witwatersrand.

Mr Mark Bankes
Non Executive Director, age 50
Chairman Compliance/Corporate Governance Committee (from 24 February 2011)
Director from 24 February 2011

Mr Bankes is an international corporate finance lawyer. Mr Bankes has an MA from Cambridge University and joined Norton Rose in 1984. He worked in both London and Hong Kong and was a partner at Norton Rose LLP from 1994 to 2007 before starting his own business, Bankes Consulting EURL, in October 2007. Mr Bankes specialises in international securities, mining policy and agreements, mergers and acquisitions and international restructurings for the resource sector. Mr Bankes has not held any other directorships in public companies during the previous five years.

Mr H. Stuart Bottomley
Non Executive Director, age 66
Senior Independent Director (until 02 February 2011)
Member Audit Committee (until 02 February 2011)
Chairman Compliance/Corporate Governance Committee (until 02 February 2011)
Director from 26 September 2005 to 02 February 2011

Stuart Bottomley has broad non executive knowledge and experience in international asset management, risk management and corporate funding. After working as a stockbroker for nine years, Stuart worked as a portfolio manager for the Target Group of Unit Trusts first under the ownership of Dawnay Day and subsequently with J Rothschild Investment Management. In 1984, he joined Fidelity International in London, working with the ERISA group, focused on UK and European markets. Since leaving Fidelity, Stuart has consulted for numerous private and public companies, advised many Australian companies on admissions to AIM and assisted in IPOs and other fundraisings. He is currently a non executive director of African Consolidated Resources Plc (since 27 May 2005), Polar Star Mining Corp (since 17 April 2009), Starfield Resources Inc (since 1 February 2007) and Verona Pharma Plc (since 24 February 2005).

The Company has not yet appointed a new Senior Independent Director following Mr Bottomley's retirement on 02 February 2011. However, the Board has identified and expects to appoint at least one additional independent non executive director in the near future.

MANAGEMENT

Mrs Heidi Brown GCertAppFin (Finsia), ACIS
Company Secretary

Mrs Brown is a Chartered Secretary with over 13 years experience in the finance and securities industries. Mrs Brown holds a Graduate Certificate of Applied Finance and Investment and a Diploma of Financial Advising through the Financial Services Institute of Australasia (Finsia).

Mr Mark Di Silvio B.Bus, MBA, CPA
Chief Financial Officer

Mr Di Silvio holds a Bachelor of Business from Curtin University in Western Australia and completed a Master of Business and Administration at the University of Western Australia. A Certified Practicing Accountant with over 19 years post graduate experience in the resources sector, Mr Di Silvio commenced his career with a variety of finance based roles within the gold mining sector whilst based in Kalgoorlie, Western Australia. Mr Di Silvio joined oil and gas independent Woodside Energy Limited in 1998, gaining oilfield experience through the financial management of joint ventures and the development of accounting and compliance management systems. Prior to leaving Woodside in 2007, Mr Di Silvio was responsible for the financial management of Woodside's Mauritanian oilfield assets. Mr Di Silvio was CFO for Central Petroleum Limited, a junior oil and gas exploration company based in Perth, Western Australia prior to joining Centamin Egypt Limited on 25 July 2008.

Mr Youssef El-Raghy
General Manager - Egyptian Operations

An officer graduate of the Egyptian Police Academy Mr El-Raghy held senior management roles within the Egyptian Police force for a period in excess of ten years, having attained the rank of captain, prior to joining the Company. Mr El-Raghy has extensive contacts within the government and industry and maintains excellent working relationships with all of the Company's stakeholders within Egypt.

DIRECTORS' MEETINGS

The following table sets out the number of Directors' meetings (including meetings of the committees of directors) held during the financial period and the number of meetings attended by each Director (while they were a Director or committee member). During the financial period, 3 Board meetings, 2 Nomination and Remuneration Committee meetings, 2 Compliance/Corporate Governance Committee meetings and 3 Audit Committee meetings were held.

	Board of Directors		Nomination and Remuneration Committee		Compliance/ Corporate Governance Committee		Audit Committee	
Director	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Mr J El-Raghy	3	3	2	-	2	-	3	-
Mr H Michael	3	3	2	-	2	-	3	-
Mr T Schultz	3	3	2	-	2	-	3	-
Dr T G Elder	3	3	2	2	2	2	3	-
Mr H S Bottomley	3	3	2	-	2	2	3	3
Professor G R T Bowker	3	3	2	2	2	2	3	3
Mr C Cowden	3	3	2	2	2	-	3	3

In addition to these formal meetings, during the period the Directors considered and passed eight (8) Circular Resolutions pursuant to clause 61 of the Company's Constitution. In addition, a Placing Committee of any two Directors was established for the placement closed in December 2010. This committee held one meeting and was attended by Josef El-Raghy and Harry Michael.

PRINCIPAL ACTIVITIES & BUSINESS STRATEGY

The consolidated entity's principal activities during the course of the financial period were the exploration for precious and base metals, production of gold and ongoing development at the Sukari project. The Company has a considered growth path and strategy in place whereby it seeks to maximise shareholder value from investment opportunities within Egypt and also other opportunities which may arise throughout the Middle East and Northern African regions.

DIVIDENDS

No dividends have been declared or paid since the end of the previous financial year. The Company's dividend policy for the coming year is to direct all cash flows towards the organic growth of the Sukari Gold Project. The Company's policy will continue to be reviewed on an annual basis.

CHANGES IN STATE OF AFFAIRS

The Company has amended the closing date of its financial year from 30 June to 31 December. This report represents the six month period ending 31 December 2010. Consequently, the Financial Statements for the current financial period represent the six month movement through to the end of 31 December 2010, whilst the prior year comparative financial data represents the twelve month movement through to the end of 30 June 2010.

Other than the above there were no other significant changes to the state of affairs in the Company during the financial period.

FUTURE DEVELOPMENTS

It is the objective of the Company to continue to drill at the Sukari project, so as to increase the overall size of the geological resource whilst at the same time, increasing gold production.

Disclosure of information regarding likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the consolidated entity. Accordingly, this information has not been disclosed in this report.

SHARE OPTIONS

OPTIONS CONVERTED DURING THE FINANCIAL PERIOD

A total of 1,625,000 unlisted options were exercised during the financial period to 31 December 2010. The details of these options are as follows:-

Number of Ordinary shares under option	Exercise Price A$	Expiry Date
900,000	1.7022	16 April 2011
500,000	1.5000	28 November 2010
100,000	0.3500	31 October 2010
125,000	1.1999	25 August 2011

The exercise price in the above table is expressed in Australian dollars. All options exercised above were issued in Australian Dollar terms during the period that the Company was listed on the Australian Securities Exchange ("ASX").

The issuing entity was Centamin Egypt Limited. The market weighted average closing price of Centamin Egypt Limited shares during the financial period to 31 December 2010 was C$2.75 (30 June 2010: C$2.03). No amount was unpaid on these shares.

OPTIONS LAPSED DURING THE FINANCIAL YEAR

No unlisted options lapsed during the financial period to 31 December 2010

OPTIONS EXERCISED SUBSEQUENT TO BALANCE DATE

10,000 options have been exercised subsequent to balance date. The issuing entity was Centamin Egypt Limited. No amount was unpaid on these shares. The details of these options are as follows:-

Number	Exercise Price A$	Expiry Date
10,000	1.7022	16 April 2011

OPTIONS LAPSED SUBSEQUENT TO BALANCE DATE

No options have lapsed subsequent to balance date.

EMPLOYEE OPTION PLANS

At the Annual General Meeting on 20 November 2006, shareholders approved the Employee Option Plan 2006. The following options issued to Executives and Employees are in existence as at the date of this report:

Number of Ordinary shares under option	Exercise Price A$	Expiry Date
210,000	1.7022	16 April 2011
125,000	1.1999	25 August 2011
1,000,000	1.0000	19 December 2011
350,000	1.8658	6 August 2012

The following options were not issued under any of the Employee Option Plans, however were issued in accordance with employment contracts and/or agreements and are in existence at the date of this report:

Number of Ordinary shares under option	Exercise Price A$	Expiry Date
1,630,150	1.2000	31 December 2012

The holders of these options do not have the right, by virtue of the option, to participate in any share issue or interest issue of the Company, body corporate or registered scheme. The issuing entity for all options was Centamin Egypt Limited.

ENVIRONMENTAL REGULATIONS

The consolidated entity is currently complying with relevant environmental regulations and has no outstanding environmental orders against it.

EVENTS SUBSEQUENT TO BALANCE DATE

The current political situation in Egypt has not affected the safety of the Company's employees or its day to day operations at its flagship project, Sukari. The Company remains confident that political changes occurring in Egypt will not have a material adverse impact the Company's investment. The Directors of the Company continue to monitor the situation and there are no matters to report outside of what is already publicly available.

Mr H. Stuart Bottomley retired from the Board effective 02 February 2011. Mr Mark Arnesen and Mr Mark Bankes were appointed to the Board on 24 February 2011.

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

REVIEW OF OPERATIONS

A review of the Company's operations is located at the beginning of this Annual Report.

INDEMNIFICATION OF DIRECTORS & AUDITORS

During the financial period, the Company paid a premium in respect of a contract insuring the directors and officers of the Company and any related body corporate against a liability incurred as a director or officer to the extent permitted by the Corporations Act 2001.

The Company has not otherwise, during or since the end of the financial period, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

REMUNERATION REPORT (AUDITED)

The Directors of Centamin Egypt Limited present the Remuneration Report prepared in accordance with section 300A of the Corporations Act 2001 for the Company and the consolidated entity for the financial period ended 31 December 2010. For the purposes of this report, Directors and executives of the Company and consolidated entity are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and consolidated entity ("the Group"), directly or indirectly, including any director (whether executive or otherwise) of the parent company. This Remuneration Report forms part of the Directors' Report.

OVERVIEW

Remuneration levels for directors and executives are competitively set to attract the most qualified and experienced candidates. Details of the Company's remuneration strategy for the six months ended 31 December 2010 (the "financial period") are set out in this Remuneration Report.

This Remuneration Report:

- explains the Board's policies relating to remuneration of directors and executives;
- discusses the relationship between these policies and the Company's performance; and
- sets out remuneration details for each Director and senior executive.

The fees paid to non executive directors are set at levels which reflect both the responsibilities of, and the time commitments required, from each non executive director to discharge their duties and are not linked to the performance of the Company.

There is no Board policy in relation to limiting the recipient exposure to risk in relation to securities.

There is no requirement for non executive directors to hold shares in the Company. The Company has left this choice to the discretion of each non executive director.

The table below sets out summary information about the consolidated entity's earnings and movements in shareholder wealth for the five and a half years to 31 December 2010:

	31 December 2010 6 months US$'000	30 June 2010 12 months US$'000	30 June 2009 12 months US$'000	30 June 2008 12 months US$'000	30 June 2007 12 months US$'000	30 June 2006 12 months A$'000 [1]
Revenue	87,203	37,710	2,893	6,789	2,815	1,140
Net profit/(loss) before tax	32,042	17,028	(22,271)	4,647	6,890	1,011
Net profit/(loss) after tax	32,042	12,870	(22,102)	4,203	6,890	1,011
Share price at start of financial period[2]	C$2.58	C$1.68	C$1.18	C$1.01	C$0.61	A$0.27
Share price at end of financial period[2]	C$2.76	C$2.58	C$1.68	C$1.18	C$1.01	A$0.74
Dividends	-	-	-	-	-	-
Basic earnings per share (USD cents)	3.10	1.26	(2.40)	0.51	1.11	0.19
Diluted earnings per share (USD cents)	3.09	1.26	(2.40)	0.51	1.10	0.19

[1]The Company changed its functional currency to USD during the 2007 financial year, as USD currency represents its primary revenue and expenditure stream.

[2] For the 2006 period, amounts are shown in Australian Dollars. This is due to the Company being sole listed on the ASX during the 2006 period and its functional currency of the day was Australian Dollars. For 2007 to 2010 periods, amounts have been disclosed in Canadian Dollars due to the Company's Toronto Stock Exchange ("TSX") listing during those periods and the significant volume of share trading that took place within the TSX.

The following graph shows the performance of the Company against both the FTSE 250 and also the Mining Sector. The Company considers that this sector and index are fair comparators for the performance of the Company.

The following persons acted as Directors of the Company during or since the end of the financial period:-

- Executive Directors
  - Mr Josef El-Raghy (Chairman)
  - Mr Harry Michael (Chief Executive Officer)
  - Mr Trevor Schultz (Executive Director of Operations)

- Non Executive Directors
  - Mr H Stuart Bottomley (Non Executive Director) (retired 02 February 2011)
  - Dr Thomas G Elder (Non Executive Director)
  - Mr Colin Cowden (Non Executive Director)
  - Professor G. Robert Bowker (Non Executive Director)
  - Mr Mark Arnesen (Non Executive Director) (appointed 24 February 2011)
  - Mr Mark Bankes (Non Executive Director) (appointed 24 February 2011)

The term 'senior management' is used in this remuneration report to refer to the following persons:

- Mrs Heidi Brown (Company Secretary)
- Mr Mark Di Silvio (Chief Financial Officer)

REMUNERATION POLICY AND STRATEGY

A major review of the policy, strategy and structure of the remuneration of the Company was undertaken during the financial period. The policy and strategy are described below and it is the intention that these will apply during the current financial year.

Philosophy

The remuneration philosophy is designed on the following principles:-

- shareholders' interests are best served by remuneration packages which have a large emphasis on performance related pay;

- emphasis on performance will encourage the Executives to focus on delivering the business strategy;
- the structure of the package will ensure fair reward for performance such that exceptional remuneration will only be justified where performance is exceptional; and
- collective working amongst the executive directors and senior management team will lead to enhanced performance and a stronger management team as well as talent management.

Strategy

The Company's reward strategy is to use the reward tools described below for the executive directors and senior management in a way that achieves a reward that is fair and reasonable and reflects the performance of the business and the reward that shareholders in the company achieve. The Nomination and Remuneration Committee looks at the totality of the reward potential in reaching decisions about remuneration.

1. Payment of a base salary

   Salaries are reviewed annually and reflect the relative skills and experience of, and contribution made by, the individual. This fixed element of our remuneration packages is competitive, but not excessive, against the markets in which the Company competes for talent.

2. Payment of an annual performance bonus

   The annual bonus for the executive directors is based upon a combination of share price, financial and production targets (as detailed below) selected to support the short and medium term performance of the business. For senior management the annual bonus is based upon the delivery of business performance and is set on a role by role basis.

3. Long term share based rewards

   Shareholders approved a new Executive Director Loan Funded Share Plan and a new Employee Loan Funded Share Plan at a General Meeting of Shareholders on Tuesday, 15 February 2011. The Plans are designed to link the interests of the directors and employees with those of shareholders together with long-term organisational interests. Details of both plans can be found in the Notice of General Meeting which was posted to all registered shareholders on Friday, 14 January 2011, and are available upon request.

4. Benefits and pensions

   Other benefits include expatriate medical insurances, payment of Egyptian taxes for expatriate employees and in few instances, spousal travel.

   There are no schemes for retirement benefits other than statutory superannuation for Australian resident directors and senior management, currently Mr Harry Michael, Professor Robert Bowker, Mr Colin Cowden and Mrs Heidi Brown. For the two non-executive directors the cost of the superannuation is included within the overall fees they receive as disclosed below.

MEMBERSHIP AND OPERATION OF THE NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (the "Committee") met twice during the financial period to discuss, among other things, the remuneration of non executive directors and remuneration report disclosure and the terms of the proposed loan funded share plans.

Membership

The Committee members are all non executive directors and Dr Thomas G Elder chairs the Committee. All members of the Committee were present at both Committee meetings held during the financial period.

A copy the Nomination and Remuneration Committee Charter is available on the Company's website – www.centamin.com – or upon request.

Advice provided to the Committee

During the financial period, the Company commissioned research papers from Meis Executive Compensation Data ("MEIS") on long term incentive practice and other aspects of executive remuneration. These papers were made available to the Committee, and formed the basis of the establishment of the loan funded share plans. Other than the preparation of these papers, MEIS has no connection with the Company. Advice was also received from the Company's legal counsel in Australia, London and Toronto, in respect of the proposed loan funded share plan.

Centamin's Company Secretary also supported the Committee during the period.

EXECUTIVE DIRECTOR REMUNERATION

Following the Company's transition from being a junior exploration company to a producer, and the transition from the Alternative Investment Market ("AIM") to the main board of the London Stock Exchange ("LSE"), the Committee commenced an internal review of executive director salaries late in the last financial year. This review resulted in two changes to note: the change of the annual bonus scheme from a discretionary scheme to one based upon disclosed performance criteria; and secondly the introduction of a new long-term incentive plan (which was approved by shareholders on 15 February 2011).

The Company expects the executive directors to operate as a collective team working together to deliver both the Company strategy and superior shareholder returns. This approach is reflected in the structure of the executive directors remuneration in two ways:-

1. the base pay and bonus amount are set at about the same level for all the executive directors. Therefore, except for a small premium of A$50,000 on the base pay for the Chairman, the executive directors have the same base salary at A$550,000. All the executive directors, including the Chairman, have exactly the same bonus opportunity.

2. the remuneration package is weighted to variable pay, which will reward the delivery of the strategy and long-term shareholder value. Hence, while the base pay is set at around the range of the median (see below the actual ratio of base pay to the comparator group), the annual bonus opportunity is set at the upper quartile. The long-term incentive is positioned just above the median.

The Committee believes the approach to remuneration including the changes for the current year described below will allow the remuneration structure to support the collective approach to remuneration looking forward.

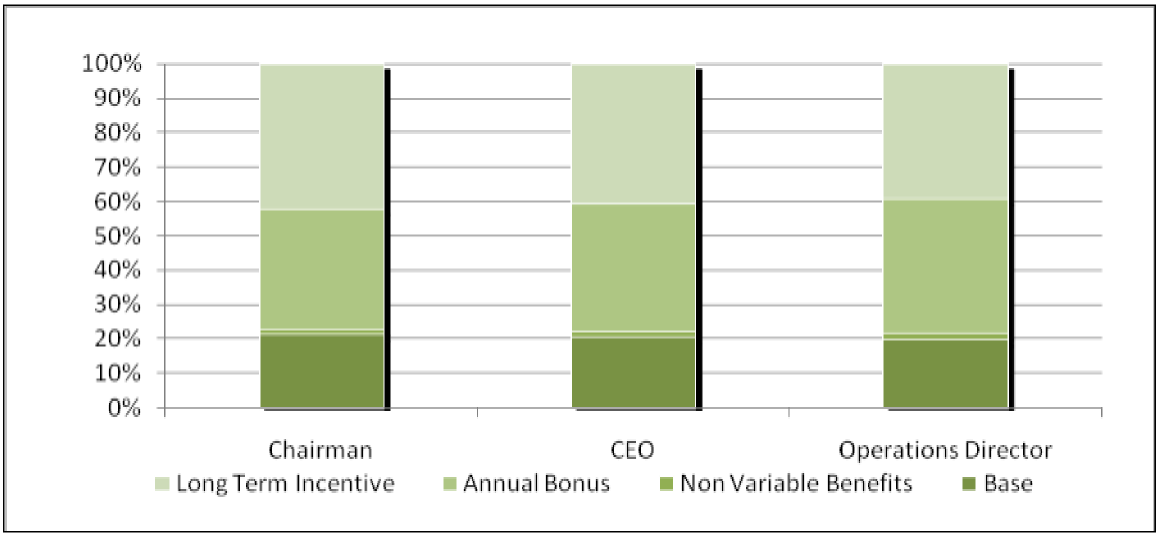
Summary

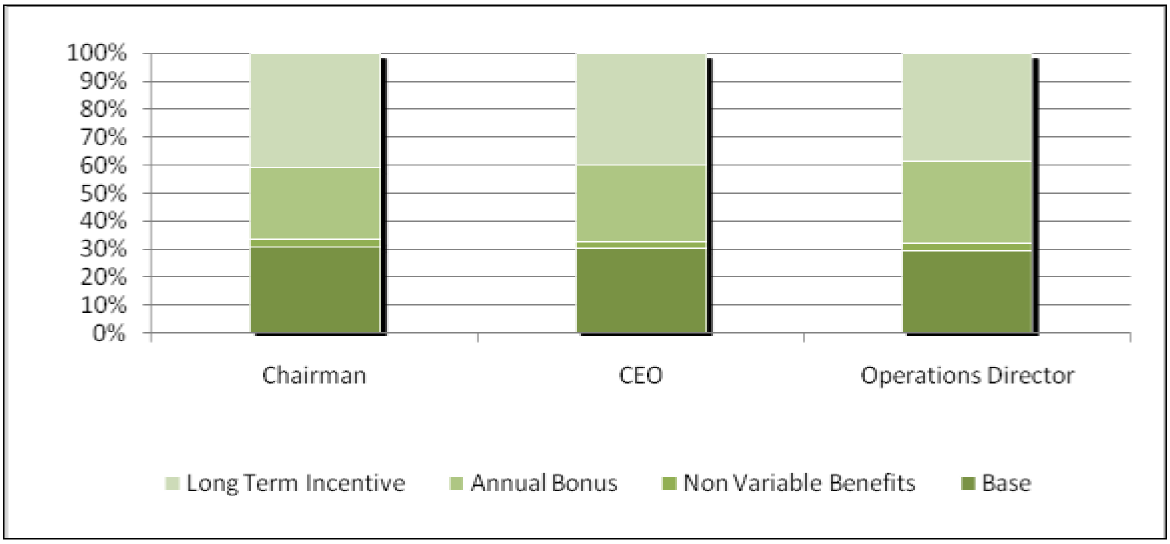
The following table summarises the current remuneration for the Executive Directors.

Director	Base Pay		Bonus			LTIP	
	In Financial period per annum	Current Base per annum	In Financial period per annum	Current Bonus Max	Current on Target Bonus (1)	LTIP Award as % of base for Financial Period (2)	Proposed LTIP award as % of current base (3)
Josef El-Raghy, Chairman	A$600,000	A$600,000	A$850,000	A$1,000,000 (167% of base)	-	-	Up to 400%
Harry Michael, Chief Executive Officer	A$550,000	A$550,000	-	A$1,000,000 (182% of base)	-	-	Up to 400%
Trevor Schultz, Executive Director of Operations	A$550,000	A$550,000	A$350,000	A$1,000,000 (182% of base)	-	-	Up to 400%

(1) Since the STIP was not introduced until July 2010, the Board has determined that it is premature to calculate the potential bonus as the potential amount cannot be measured reliably.
(2) The LTIP was formally approved by shareholders on 15 February 2011. No awards were made under the LTIP during the relevant financial period.
(3) For the initial award, it is currently proposed to award up to 400% of base salary as no awards were made during the previous financial period. Subsequent award levels will be assessed by the Committee going forward.

The following graph shows the balance of variable and non-variable pay. Graph 1 shows full annual bonus and assumed LTIP award is 400% of base and that the value is 50% of the award face value i.e. 200% of base. Under this scenario non-variable is less than 25% of the total package. Graph 2 show the same information but assumes only half of annual bonus is paid and only one third of LTIP vests. Under this scenario non-variable is less than 35% of the total package.





Base Salary

A review of executive salaries paid in comparison to the Company's broader peer group was undertaken internally. The review covered 15 entities with a wide range of market capitalisations (USD$400m - USD$12bn), various corporate and project domiciles, and with projects of varying levels of maturity and production. The peer group consisted of Mineral Deposits Limited, Yamana Gold Inc, Agnico-Eagle Mines Limited, Highland Gold Mining Limited, Petropavlovsk (formerly Peter Hambro Mining), Golden Star Resources, Redback Mining, Eldorado, Randgold, Osisko, European Goldfields, Fresnillo Plc, Hochschild Mining Plc, Avocet Mining Plc and LONMIN Plc.

The snapshot of the total USD remuneration packages for 45 Executive positions within these companies for 2009 was:-

High	$12,300,000
Low	$ 350,000
Average	$ 2,700,000
Median	$ 1,750,000

Given the Company's stage of development, the Committee recommended that remuneration for the three Executive Directors be positioned close to the median and most importantly that the remuneration be weighted in favour of performance.

From the review, it was obvious that the executive director remuneration had previously been conservative. As such, the remuneration for the Company's three executive directors was set as:-

Executive Director	Previous	Current
Josef El-Raghy, Chairman [(1)]	A$387,000	A$600,000 (backdated to 01 April 2010)
Harry Michael, Chief Executive Officer	-	A$550,000 (backdated to 01 March 2010)
Trevor Schultz, Executive Director of Operations	A$360,000	A$550,000 (backdated to 01 April 2010)

[(1)] Note that Josef El-Raghy's salary from 1 September 2007 was actually set at A$483,750. Mr El-Raghy took a voluntary pay cut on 1 October 2008 (to A$387,000) in an effort to conserve cash whilst the Company finished construction and pursued production.

In looking at comparative data the company is aware that the selection of data source and data cut can result in noticeably varying results. Therefore the Company has taken the view that it should use data from a range of sources to provide a balanced view of possible remuneration levels.

The Company also looked at the data for the following comparator groups; UK Quoted Mining Companies, the FTSE 250, UK quoted companies with a similar market capitalisation (£1.5bln to £2.5bln) and UK quoted companies with a similar Turnover (£20m to £50m). The following table shows where the base pay of the executive directors is positioned against the data, which is consistent with the Company's objective of paying at around the range of the median.

Position	Director	Current Remuneration	Position against the average of the data
Executive Chairman	Josef El-Raghy	A$ 600,000	18% above the median and 31% below the upper quartile
CEO	Harry Michael	A$ 550,000	19% below the median and 40% below the upper quartile
Operations Director	Trevor Schultz	A$ 550,000	14% above the median and 15% below the upper quartile

As noted above the Company's approach is to pay the executive directors the same amount (with a small premium for the Chairman). As a result, it can be seen that the Chairman is positioned just above the median, the CEO is paid just below the median and the Operations Director just above the median, in order that they may all be paid the same while the pay position remains conservative.

Short Term Incentive Plan ("STIP")

For the Current Financial Period

In line with the philosophy that the majority of the executive director remuneration should be weighted in favour of performance, a short term bonus plan was implemented. The maximum bonus opportunity is the same for all the executive directors at A$1,000,000 which is between 167% and 182% of the current base salary. The short term incentive ("STI") performance criteria ("PC") and matrix for the three Executive Directors was set as:-

Executive	Stock price performance against peer group	Production/cost performance versus Budget	Expansion Capital Cost within time and Budget	Securing Additional Exploration Acreage on terms satisfactory to the Board	Total STI
Josef El-Raghy	50%	20%	10%	20%	A$1,000,000
Harry Michael	30%	50%	10%	10%	A$1,000,000
Trevor Schultz	20%	20%	50%	10%	A$1,000,000

During Financial Period ended 31 December 2010

Prior to the introduction of the above short term incentive bonus structure and under the previous discretionary arrangements, the Chairman and Executive Director of Operations were granted past performance bonuses of A$850,000 and A$360,000 respectively. These bonuses were a reflection of the Company's and their individual past performances up to the end of the Financial Period. In particular the Committee commended the efforts of the executive directors for the increase in both resource and reserves, the commencement of commercial production within the projected cash cost per ounce, the fact that the Company had been able to remain debt and hedge free (particularly with the gold price continuing to rise), and the Company's inclusion in the FTSE 250 Index. The Committee reported that it seemed general practice in the peer companies reviewed that bonuses amounted to more than the basic salary for exceptional performance, and regarded Centamin's progress in the year in question and the performance of both executive directors as, without doubt, exceptional. The Company had not paid bonuses to executive directors in the previous three years in an effort to conserve cash for the development of the Sukari Gold Project. This bonus was the first paid to Mr Trevor Schultz since he joined the Company on 20 May 2008, and the first bonus that Mr Josef El-Raghy had received since 2007.

Long Term Incentive Plan ("LTIP")

Existing Arrangement

The last award to an Executive Director under the Employee Option Plan 2006 was last granted on 19 December 2008. There is no current intention to make any further awards under that plan.

Proposed New Arrangement

The Company obtained approval for a new Executive Director Loan Funded Share Plan ("the Plan") at the General Meeting of Shareholders on Tuesday, 15 February 2011. The Plan is designed to link the interests of the directors and employees with those of shareholders together with long-term organisational interests. Details of the Plan can be found in the Notice of General Meeting which was posted to all registered shareholders on Friday, 14 January 2011, and a full copy of the Plan is available upon request.

The key features of the Executive Director Loan Funded Share Plan 2011 are as follows:

- Maximum award level is 400%.
- The Plan will not be open to non executive directors.
- The Plan is essentially an option type scheme as the benefit that the participant receives relates to the growth in the value of the shares. Participants are granted an interest free loan for a 36-month period, which is used to buy shares in the company. The shares are initially issued to a special trust which has been specifically established for the purpose of the Plan. At the end of the period the vested shares can be sold, the loan must be repaid and any profit given to the participants.
- The release or vesting of shares is subject to the achievement of performance conditions and only vest after a period of three years. Where only some of the shares vest then the remaining shares lapse and the loan matching those shares is then waived.
- The performance conditions are based on a comparative Total Shareholder Return with 50% based upon FTSE 250 and 50% based upon a bespoke group of relevant comparator companies.
- 25% of the award will vest for median performance and 100% for upper quartile performance. Performance between the median and upper quartile will produce a straight line form of vesting based upon an interpolation scale.

Pension Arrangements

There are no schemes for retirement benefits other than statutory superannuation for Australian resident directors, currently Mr Harry Michael, Professor Robert Bowker and Mr Colin Cowden. For the non executive directors the cost of this is included within the fees paid to them.

Benefits in Kind

Medical insurance is provided at the Company's expense to Mr Josef El-Raghy and Mr Trevor Schultz, who both work in Egypt full time. The Company also covers Mr Josef El-Raghy and Mr Trevor Schultz's Egyptian salary taxes. In addition, Professor Robert Bowker is entitled to limited spousal travel benefits.

NON EXECUTIVE DIRECTOR REMUNERATION

Non executive directors receive annual fees within an aggregate Directors' fee pool limited to an amount which is approved by shareholders. The Committee reviews and recommends, for Board approval, remuneration levels and policies for Directors within this overall Directors' fee pool. The fees which are paid are also periodically reviewed. During the period, the remuneration structure for non executive directors is as follows:-

- Annual Base Fee	A$40,000 per annum
- Chairman of a Board Committee	A$10,000 per annum
- Member of a Board Committee	A$ 5,000 per annum

These amounts include any statutory superannuation payments where applicable. The exception to this is Professor Bowker who is paid A$100,000 per annum (including superannuation and committee fees), due to the additional time required to attend meetings on behalf of, or in connection with, the Company in Egypt.

No increase in non executive director fees was awarded during the financial period. The Company does however intend to review the fee structure in the near future.

The non executive directors do not participate in any of the Company's share schemes or incentive plans.

All non executive directors have signed contracts of service, under which their term of appointment is contingent on satisfactory performance and re-election at least every three years under Clause 50 of the Company's Constitution at forthcoming AGMs.

The table below shows the date of the last AGM at which each non executive director was the subject of re-election.

Non Executive Director	Date of last AGM at which they were the subject of re-election
H. Stuart Bottomley	27 November 2009
Thomas Elder	27 November 2009
Colin Cowden	9 November 2010
G. Robert Bowker	9 November 2010
Mark Arnesen	N/A
Mark Bankes	N/A

SENIOR MANAGEMENT REMUNERATION

Base Salary

The Committee undertook a review of senior management salaries during the financial period. In light of the Chairman's comments and peer company analysis, the Committee recommended that the annual salaries of Mark Di Silvio and Heidi Brown be increased to A$325,000, net of taxes in Egypt (a 14% increase) and A$180,000 (a 20% increase) respectively, backdated to 01 April 2010.

Short Term Incentive Plan ("STIP")

The annual bonus for senior management is based upon a combination of the Company's performance, delivery of the business strategy and individual key tasks, and is set on a role by role basis.

Long Term Incentive Plan ("LTIP")

Existing Arrangement

The last award to senior management under the Employee Option Plan 2006 was granted in August 2009. There is no current intention of making any further awards under this plan.

Proposed New Arrangement

The senior management team will be eligible to participate in the proposed loan scheme, a summary of which is shown below.

The Company obtained approval for a new Employee Loan Funded Share Plan ("the Plan") at the General Meeting of Shareholders on Tuesday, 15 February 2011. The Plan is designed to link the interests of the employees (including senior management) with those of shareholders together with long-term organisational interests. Details of the Plan can be found in the Notice of General Meeting which was posted to all registered shareholders on Friday, 14 January 2011, and a full copy of the Plan is available upon request.

The following key points summarise essential elements of the Employee Loan Funded Share Plan 2011. Shareholders should refer to the copy of the Plan for full details.

- Maximum annual award level is 400% of base salary.
- The Plan is essentially an option type scheme as the benefit that the participant receives is the growth in the value of the shares. Participants are granted an interest free loan for a 36-month period, which is used to buy shares in the company. The shares are initially issued to a special employee trust established for the purpose of the Plan. At the end of the period, the vested shares can be sold, the loan must be repaid and any profit given to the participants.

- Subject to other vesting conditions being satisfied and provided the Participant remains an Eligible Employee up to that date;
  - one third of the shares will vest 12 months after issue;
  - one third of the shares will vest 24 months after allocation; and
  - the remainder of the shares will vest 36 months after allocation.
- The release or vesting of shares is subject to the achievement of performance conditions. Where only some of the shares vest then the remaining shares lapse and the loan matching those shares is then waived.
- The performance conditions are determined in relation to two different areas;
  - universal targets in relation to general company performance (which apply to all Participants); and
  - specific targets tailored to the performance of each individual Participant. Such performance targets may include:-
    (a) the percentage share price appreciation of the Company's shares in comparison to the appreciation in the market price of gold, the gold stock indices of the applicable Exchange or Exchanges and the share prices of a comparison group of companies, calculated on an annual or longer basis;
    (b) meeting or exceeding gold production targets set at the beginning of each year;
    (c) meeting or exceeding the health and safety performance for preceding years, measured in industry standards;
    (d) increases in gold reserves or resources derived from internal effort and initiative and not from external factors such as gold price;
    (e) modification of the average gold reserve discovery cost over set periods;
    (f) the Company's TSR as compared against the TSR of a designated Comparator Group; and
    (g) other performance criteria determined by specific reference to the employee's primary responsibilities.

EMPLOYMENT CONTRACTS

Remuneration and other terms of employment for the following Directors and executives are formalised in employment agreements, the terms of which are set out below:-

Josef El-Raghy, Chairman
- term: 3 years (expiring 1 September 2013), 6 months notice of termination period
- base salary: A$600,000 (net of taxes in Egypt) p.a., reviewed annually by the Nomination and Remuneration Committee
- in the event of a change of control of the Company, Mr El-Raghy shall be entitled to receive a payment of 24 months remuneration

Harry Michael, Chief Executive Officer
- term: 3 years (expiring 3 March 2013), 6 months notice of termination period
- base salary: A$550,000 p.a. including superannuation, reviewed annually by the Nomination and Remuneration Committee
- in the event of a change of control of the Company, Mr Michael shall be entitled to receive a payment of 24 months remuneration

Trevor Schultz, Executive Director of Operations
- term: 3 years (expiring 15 August 2011), 3 months notice of termination period
- base salary: A$550,000 (net of taxes in Egypt) p.a., reviewed annually by the Nomination and Remuneration Committee

Mark Di Silvio, Chief Financial Officer (appointed 25 July 2008)
- term: 2 years (expiring 25 July 2012), 3 months notice of termination period
- base salary: A$325,000 (net of taxes in Egypt) p.a., reviewed annually by the Nomination and Remuneration Committee
- in the event of a change of control of the Company, Mr Di Silvio shall be entitled to receive a payment of 12 months remuneration

Heidi Brown, Company Secretary
- term: 2 years (expiring 21 July 2012), 3 months notice of termination period
- base salary: A$180,000 p.a. + 9% superannuation, reviewed annually by the Nomination and Remuneration Committee

All contracts are denominated in Australian Dollars. Other than as disclosed above, no director or executive is entitled to any termination payments apart from remuneration payable up to and including the date of termination and all payments due by way of accrued leave.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The Nomination and Remuneration Committee reviews the remuneration packages of all Directors and senior management on an annual basis. Remuneration packages are reviewed and determined with due regard to current market rates and are benchmarked against comparable industry salaries.

01 July 2010 to 31 December 2010	Short-term employee benefits			Long-term employee benefits	Post-employment benefits	Share-based payment	
	Salary & Fees US$	Bonus US$	Non-monetary US$ [2]	Leave US$ [5]	Superannuation US$	Options & rights US$ [1]	Total US$
Non Executive Directors							
T Elder	27,307	-	-	-	-	-	27,307
C Cowden	25,053	-	-	-	2,254	-	27,307
H S Bottomley [6]	27,307	-	-	-	-	-	27,307
G Bowker	24,825	-	-	-	24,825	-	49,650
Executive Officers							
J El-Raghy	314,155	863,733	28,649	2,324	-	-	1,208,861
H Michael	250,194	-	-	-	21,681	-	271,875
T Schultz	281,062	324,324	52,135	-	-	-	657,521
M Di Silvio	166,082	-	30,649	-	-	14,389	211,120
H Brown	95,864	135,135	-	22,770	7,735	-	261,504
Total	**1,211,849**	**1,323,192**	**111,433**	**25,094**	**56,495**	**14,389**	**2,742,452**

01 July 2009 to 30 June 2010	Short-term employee benefits			Long-term employee benefits	Post-employment benefits	Share-based payment	
	Salary & Fees US$	Bonus US$	Non-monetary US$	Leave $US [5]	Superannuation US$	Options & rights US$[1]	Total US$
Non Executive Directors							
T Elder	48,559	-	-	-	-	-	48,559
C Cowden	44,551	-	-	-	4,008	-	48,559
G B Speechly [4]	16,198	-	-	-	1,458	-	17,656
H S Bottomley	48,559	-	-	-	-	-	48,559
G Bowker	22,175	-	24,301	-	46,249	-	92,725
Executive Officers							
S El-Raghy [4]	209,827	-	18,794[2]	3,158	-	-	231,779
J El-Raghy	476,145	-	38,717[2]	30,211	-	-	545,073
H Michael [3]	166,005	-	-	-	13,394	-	179,399
T Schultz	402,267	-	70,892[2]	-	-	76,534	549,693
M Di Silvio	269,009	-	51,130[2]	-	-	236,889	557,028
H Brown	164,015	-	31,932	-	12,473	-	208,420
Total	**1,867,310**	**-**	**235,766**	**33,369**	**77,582**	**313,423**	**2,527,450**

[1] Options value is calculated in accordance with the Black-Scholes pricing method.
[2] Values shown represent taxes paid in Egypt on behalf of the Executive Officer.
[3] Mr H Michael was appointed 3 March 2010.
[4] Mr S El Raghy and Mr G B Speechly retired on 31 December 2009.
[5] Long term employment benefits are in relation to accrued benefits of long service leave.
[6] Mr Bottomley retired from the Board effective 02 February 2011.

No Director or senior management person appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

Options issued to Directors and senior management

Options were previously issued to Directors and senior management under the Employee Option Plan 2006 (previously under the Employee Option Plan 2002) as part of their remuneration. The Company has not issued any options under the plan since 06 August 2009 and there is no current intention to issue any further options under the Plan. The following options were issued to Directors and senior management up to 31 December 2010:-

Name	Office	Grant Date	No of Unquoted Options	Fair Value at Grant Date A($)	Exercise Price A($)	Expiry Date
T S Schultz	Executive Director of Operations	19 December 2008	1,000,000	0.3568	1.0000	19 December 2011
M Di Silvio	Chief Financial Officer	25 August 2008	250,000	0.3070	1.1999	25 August 2011
M Di Silvio	Chief Financial Officer	6 August 2009	350,000	0.6714	1.8658	6 August 2012
H Brown	Company Secretary	16 April 2008	250,000	0.4015	1.7022	16 April 2011

Note: As at 31 December 2010, 100% of all of the above options had vested.

The options granted vest and are exercisable over a period of 12 months, with 50% vesting and exercisable after 6 months and the other 50% vesting and exercisable after 12 months of grant. These options have a term of 3 years.

Options exercised by Directors and senior management

The following options were exercised by Directors and senior management during the financial period.

Name	Office	Exercise Date	No of Unquoted Options	Exercise Price A($)	Expiry Date
Mr M Di Silvio	Chief Financial Officer	17 December 2010	125,000	1.1999	25 August 2011
Mrs H Brown	Company Secretary	23 December 2010	250,000	1.7022	16 April 2011

Value of Director and senior management options granted, exercised and lapsed during the financial period

The following table shows the value of Director and senior management options granted, exercised and lapsed during the financial period:-

Name	Options Granted	Options Exercised	Options Lapsed	Value of Options Included in Remuneration for the Year (1)	Percentage of Total Remuneration for the Year that Consists of Options
	Value at Grant Date	Value at Exercise Date	Value at Time of Lapse		
	US$	US$	US$	US$	%
S El-Raghy	-	-	-	-	-
J El-Raghy	-	-	-	-	-
C N Cowden	-	-	-	-	-
T G Elder	-	-	-	-	-
G B Speechly	-	-	-	-	-
H S Bottomley	-	-	-	-	-
T Schultz	-	-	-	-	-
G Bowker	-	-	-	-	-
H Michael	-	-	-	-	-
M Di Silvio	-	320,091	-	14,389	6.8%
H Brown	-	656,506	-	-	-

(1) The value of options granted during the period is recognised in compensation over the vesting period of the grant, in accordance with Australian Accounting Standards.

DIRECTORS' SHAREHOLDINGS

The relevant interest of each Director in the share capital of the Company shown in the Register of Directors' Shareholdings as at the date of this report are:-

Director	No. of Fully paid ordinary shares	No. of share options
J El-Raghy	69,195,086	-
H Michael	75,000	
C Cowden	1,203,626	-
T Elder	250,000	-
T Schultz	-	1,000,000
G Bowker	-	-
M Arnesen	-	-
M Bankes	-	-

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors shown in the consolidated accounts) because of a contract made by the Company, its controlled entities or a related body corporate with the Director or with a firm of which the Director is a member, or with an entity in which the Director has a substantial interest.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in Class Order 98/100 issued by the Australian Investments and Exchange Commission dated 10 July 1998 and in accordance with that Class Order, amounts in the Financial Report and the Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

GOING CONCERN

The Directors have satisfied themselves that the Company is a going concern through its continued profitable revenue stream from the Sukari Gold Mine in Egypt and is therefore able to satisfy its underlying obligations and commitments as and when they fall due.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration is included on page 38 of the financial report.

NON-AUDIT SERVICES

Tax services were provided by Deloitte Touche Tohmatsu during the financial period. The Audit Committee is satisfied that the provision of non-audit services, during the financial period, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Audit Committee is satisfied that the services provided did not compromise the external auditor's independence for the following reasons:-

- all non-audit services have been reviewed by the Audit Committee to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in the Code of Conduct - APES 110 Code of Ethics for Professional Accountants, issued by the Accounting Professional & Ethics Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company or jointly sharing economic risks and rewards.

Details of amounts paid or payable to the auditor for non-audit services provided during the financial period by the auditor are outlined in Note 22 to the financial statements.

This Directors' Report is signed in accordance with a resolution of the directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors

Harry Michael
Chief Executive Officer

Perth, 28 February 2011

MANAGEMENT DISCUSSION & ANALYSIS

The following Management's Discussion and Analysis of the Financial Condition and Results of Operations ("MD&A") for Centamin Egypt Limited (the "Company" or "Centamin") should be read in conjunction with the Directors' Report and the audited Financial Report for the financial period ended 31 December 2010. The effective date of this MD&A is 28 February 2011.

The financial information presented in this MD&A has been prepared in accordance with Australian Accounting Standards and Interpretations, other mandatory professional reporting requirements and the Corporations Act 2001.

In addition to these Australian requirements, further information has been included in the Consolidated Financial Statements for the financial period ended 31 December 2010 in order to comply with applicable Canadian and United Kingdom securities law, as the Company is listed on both the Toronto Stock Exchange and Main Board of the London Stock Exchange.

Additional information relating to the Company, including other public announcements and the Company's Annual Information Form, is available at www.centamin.com and www.sedar.com.

All amounts in this MD&A are expressed in United States dollars unless otherwise identified.

FORWARD LOOKING STATEMENTS

Some of the statements contained in this MD&A, including those relating to strategies and other statements, are predictive in nature, and depend upon or refer to future events or conditions, or include words such as "expects", "intends", "plans", "anticipates", "believes", "estimates" or similar expressions that are forward looking statements. Forward looking statements include, without limitations, the information concerning possible or assumed further results of operations as set forth herein. These statements are not historical facts but instead represent only expectations, estimates and projections regarding future events and are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations generally.

The forward looking statements contained in this MD&A are not guarantees of future performance and involve certain risks and uncertainties that are difficult to predict. The future results of the Company may differ materially from those expressed in the forward looking statements contained in this MD&A due to, among other factors, the risks and uncertainties inherent in the business of the Company. The Company does not undertake any obligation to update or release any revisions to these forward looking statements to reflect events or circumstances after the date of this MD&A or to reflect the occurrence of unanticipated events.

GENERAL

Centamin is a mineral exploration, development and mining company that has been actively exploring in Egypt since 1995. The principal asset of Centamin is its interest in the Sukari Project, located in the Eastern Desert of Egypt. Construction at the Sukari Project commenced in March 2007 and the first gold bar was produced on the 26 June 2009.

Optimal design throughput at the Sukari Gold Project was achieved during December 2009. In January 2010, the Company announced that the Sukari Gold Project had achieved yet another important milestone with the commencement of gold exports to a nominated overseas gold refinery. From a financial accounting standpoint, commercial production commenced on 1 April 2010.

The Sukari Project is the first large-scale modern gold mine in Egypt. Centamin's operating experience in Egypt gives it a significant first-mover advantage in acquiring and developing other gold projects in the prospective Arabian-Nubian Shield.

HIGHLIGHTS FOR THE FINANCIAL PERIOD

Operations

- Gold production totaled 83,432 ounces for the period. This included record fourth quarter production of 53,189 ounces.
- Operating profit before tax was $32.0M for the financial period.
- A total of 3.8Mt of ore @ 1.19g/t Au was mined from Stage 1 and 2 of the open pit at an average waste to ore ratio of 1.85:1. Orders for additional mobile equipment were placed, which will see a further three CAT 785C dump trucks and a fourth Terex RH120 excavator in operation during 2011.

Exploration

- In September 2010, the Company announced that the total reserves had increased to 9.1 million ounces, an increase of 2.0 million ounces (28%) from the previously reported 7.1 million ounces as announced in February 2010. The new mineral reserves are based on drilling up to 1 August 2010 and utilized a gold price of US$900 per ounce.

Underground Development

- For the financial year ended December 2010, underground decline development recorded an advance of 1,735 meters, inclusive of main decline, ventilation decline and escape way infrastructure. Following the intersection of the high grade Hapi Zone mineralisation as expected at the 920 level, a total of 39,577 tonnes @ 6.1g/t of development ore was produced during the quarter. By the end of the quarter, ore drive development had continued through to the 905 level.

Sukari Project Expansion

- Future development of the Sukari gold project involves the Stage 3 and Stage 4 expansion programmes. The Stage 3 expansion project primarily involves installation of a secondary crushing circuit and related infrastructure that will be integrated into the existing process plant crushing circuit. Stage 3 is targeting a mill throughput increase of 25% to 5Mtpa and project completion is expected in mid 2011.
- As a part of the Stage 4 development, a scoping study was completed. The Company announced that the preferred process flow route selected was a conventional SAG/Ball Mill grinding configuration (similar to the current plant configuration) due to its comparable economics and existing site operating knowledge with the Sukari orebody. Final Board commitment for the Stage 4 expansion is expected during the first half of 2011, following completion of front end engineering and design activities. Stage 4 completion is targeted to occur in 2012.

Corporate

- During December 2010, the Company raised net proceeds of US$132M, following the successful placement of 51.5M shares at 167 pence. Centamin intends to use the net proceeds for the next stage of its growth strategy.

Sukari Gold Mine - Production Statistics

		December 2010 Quarter	September 2010 Quarter	TOTAL
Ore Mined	('000t)	2,123	1,682	**3,805**
Total Mined	('000t)	5,975	4,916	**10,891**
Strip Ratio	waste/ore	1.8	1.9	**1.85**
Ore Processed	('000t)	773	605	**1,378**
Head Grade	(g/t)	2.30	1.75	**2.06**
Gold Recovery	(%)	88.1	82.6	**85.4**
Gold Produced - Total (1)	(oz)	53,189	30,243	**83,432**
Gold Produced - Dump Leach	(oz)	2,387	3,049	**5,436**
Cash Operating Cost of Production (2)	US$/oz	498	638	**549**
Gold Sold	(oz)	35,150	31,228	**66,378**
Average Sales Price	US$/oz	1,369	1,239	**1,308**

Notes:- (1) Gold produced is gold poured and does not include gold-in-circuit at period end.
(2) Cash operating costs excludes royalties, exploration and corporate administration expenditure.

RESULTS OF OPERATIONS

The Company recorded an operating profit for the financial period ended 31 December 2010. The results for the six month period ended 31 December 2010 reflect the inception of operations at the Sukari Gold Mine, with exploration related expenditure being capitalised according to the Company's accounting policies.

The Company has amended the closing date of its financial year from 30 June to 31 December. Consequently, information in this report represents the six month period ending 31 December 2010.

Selected Financial Information

The table below sets forth selected financial data relating to the Company's financial periods ended 31 December 2010, 30 June 2010 and 30 June 2009. This financial data is derived from the Company's audited consolidated financial statements.

Condensed Statement of Comprehensive Income

	Six months ended 31 December 2010 US$'000	Year ended 30 June 2010 $US'000	Year ended 30 June 2009 $US'000
Revenue	87,203	37,710	2,893
Other income	39	888	12
Cost of sales	(29,349)	(3,547)	-
Production royalty	(2,604)	(2,205)	-
Foreign exchange gain/(loss)	1,593	3,614	(19,284)
Administrative expenses	(3,674)	(5,813)	(2,142)
Depreciation and amortisation	(21,152)	(11,897)	(544)
Share based payments	(14)	(1,722)	(3,206)
Profit/(Loss) before income tax	**32,042**	**17,028**	**(22,271)**
Tax (expense)/income	-	(4,158)	169
Net profit/(loss) for the period	**32,042**	**12,870**	**(22,102)**
Earnings/(Loss)per share			
- Basic (cents per share)	3.10	1.26	(2.40)
- Diluted (cents per share)	3.09	1.26	(2.40)

Revenue reported comprises proceeds from gold sales and interest revenue applicable on the Company's available cash and working capital balances and term deposit amounts. On a comparative annual basis, *Revenue* is higher due to the improved gold production during the second half of 2010. Other income includes silver sales associated with gold production and the sale of scrap materials.

Cost of sales represents the cost of mining and processing ore, offset by the movement in production inventory which has been transferred to the Statement of Financial Position.

Production royalty represents the 3% royalty payable to the Egyptian Government for gold bullion and associated metals.

Foreign exchange gain reported is attributable to positive exchange rate movement during the period as a result of the strengthening Australian dollar against the United States dollar.

Administrative expenses comprise consultants, Directors' fees, stock exchange listing fees, employee salaries and corporate office administration expenses.

Depreciation and amortisation includes the depreciation of fixed assets and amortisation of waste material movement and mine properties. Also includes provision for rehabilitation.

Share based payments reported relate to the requirement to recognise the cost of granting options (or warrants) to directors, and employees under the Employee Option Plan or for payment for services done under a contractual arrangement. Calculation of the cost is performed in accordance with the requirements of AIFRS over the option (or warrant) vesting period.

Condensed Statement of Financial Position	As at 31 December 2010 US$'000	As at 30 June 2010 $US '000	As at 30 June 2009 $US '000
Total current assets	192,943	56,771	73,364
Total non-current assets	447,889	421,597	333,058
Total assets	**640,832**	**478,368**	**406,422**
Total current liabilities	19,112	23,204	8,504
Total non-current liabilities	2,624	2,622	1,736
Total liabilities	**21,736**	**25,826**	**10,240**
Net assets	**619,096**	**452,542**	**396,182**

Current assets for the six months ended 31 December 2010 are higher than previous years due to capital raising conducted in Q4 2010, raising net proceeds of US$132M.

Non-current assets have increased throughout the six months ended 31 December 2010 as a result of construction and development related to the Sukari project. The Company's accounting policy is to capitalise exploration expenditure under the category of Exploration, Evaluation & Development.

Current liabilities are lower in the six month period ended 31 December 2010 compared to the prior period, representing a reduction in creditor commitments associated with operations of the Sukari Gold Project.

Non-current liabilities as at 31 December 2010 have increased marginally.

Condensed Statement of Changes in Equity	Six months ended 31 December 2010 US$'000	Year ended 30 June 2010 $US'000	Year ended 30 June 2009 $US'000
Total equity at beginning of period	452,542	396,182	352,957
Movement in issued equity	135,404	48,210	63,938
Movement in reserves	(892)	(4,720)	1,389
Profit/(Loss) for the period	32,042	12,870	(22,102)
Total equity at end of period	**619,096**	**452,542**	**396,182**

Issued equity increased during the six months ended 31 December 2010, driven by an equity raising completed in the fourth quarter of 2010 and coupled with the exercising of employee options previously granted under the employee share options scheme.

Reserves have decreased due to the exercise of employee options.

Profit for the year ended 31 December 2010 is analysed under the section Condensed Statement of Comprehensive Income.

Condensed Statement of Cash Flows	Six months ended 31 December 2010 US$'000	Year ended 30 June 2010 $US'000	Year ended 30 June 2009 $US'000
Net cash flow from operating activities	34,274	21,878	1,908
Net cash flow used in investing activities	(47,529)	(103,966)	(179,974)
Net cash flow from financing activities	134,498	41,768	58,186
Net decrease in cash and cash equivalents	121,243	(40,320)	(119,880)
Cash and cash equivalents at the beginning of the financial period	31,326	68,609	182,329
Effects of exchange rate changes	1,769	3,037	6,160
Cash and cash equivalents at the end of the financial period	**154,338**	**31,326**	**68,609**

The net cash flow from operating activities for the financial period ended 31 December 2010 is attributable to income received from gold sales, offset by payments for production costs, exploration expenditure and corporate compliance related

costs.
The net cash flow from investing activities for the financial period ended 31 December 2010 is attributable to Sukari development expenditure which includes acquisition of mining fleet and construction costs.

The net cash flow from financing activities for the financial period ended 31 December 2010 is attributable to equity raised during December 2010, offset by costs of equity raising, and the conversion of employee share options.

SELECTED QUARTERLY INFORMATION

The following table sets out selected financial information for and as of the end of the quarterly periods as shown in the table.

Three months ended	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009	30 Sep 2009	30 Jun 2009	31 Mar 2009
Revenue ($USD'000)	48,365	38,838	37,194	66	148	302	414	385
Net profit/(loss) ($USD'000)	17,340	14,702	15,047	(1,635)	(1,333)	791	5,302	(2,970)
Net profit/(loss) c.p.s **	1.67	1.43	1.45	(0.22)	(0.05)	0.08	0.53	(0.31)
Net profit/(loss) c.p.s – diluted	1.66	1.43	1.45	(0.22)	(0.05)	0.08	0.53	(0.31)
Net assets ($USD'000)	**619,096**	**468,966**	**452,542**	**430,468**	**431,527**	**426,948**	**396,182**	**383,385**

*** USD per share*

Revenue for the three months ended 31 December 2010 comprises income from gold sales and interest revenue applicable on the Company's available cash and term deposit amounts. The amount reported December quarter is higher than previous quarters reflecting improved production from the Sukari Project.

Net income for the three months ended 31 December 2010 is a higher than previous quarters of the 2010 financial year and is due to the improved production from the Sukari Project.

LIQUIDITY AND CAPITAL RESOURCES

At 31 December 2010, the Company had cash and cash equivalents of $154,338,000 compared to $31,326,000 at 30 June 2010. The majority of funds have been invested in short term deposits. The increase in cash position is due to the capital raising completed in the fourth quarter of 2010, raising net proceeds of $132 million.

The following is a summary of the Company's outstanding commitments as at 31 December 2010:

Payments due	**Total US$'000**	**< 1 year US$'000**	**1 to 5 years US$'000**	**After 5 years US$'000**
Employee entitlements	748	666	82	-
Creditors	18,002	18,002	-	-
Provision for Rehabilitation	2,542	-	-	2,542
Current tax liabilities	444	444	-	-
Total commitments	**21,736**	**19,112**	**82**	**2,542**

The Company's financial commitments are limited to discretionary spending on work programmes at the Sukari Gold Project, administration expenditure at the Egyptian and Australia office locations and for general working capital purposes.

During 2010, the Company terminated an agreement with Macquarie Bank Limited ("MBL") to provide a corporate loan facility of up to US$25 million. The facility was subject to final documentation and remained undrawn prior to termination.

Other than described above the Company has no other off Statement of Financial Position arrangements.

OUTSTANDING SHARE INFORMATION

As at 28 February 2011, the Company had 1,081,956,250 fully paid ordinary shares issued and outstanding. The following table sets out the fully paid ordinary shares issuable under the Employee Share Option Plan and Warrants issued:

As at 28 February 2011	Number
Shares on Issue	1,081,956,250
Options issued but not exercised	3,315,150
	1,085,271,400

SEGMENT DISCLOSURE

The Company is engaged in the business of exploration for precious and base metals only, which is characterised as one business segment only.

SIGNIFICANT ACCOUNTING ESTIMATES

In the application of the Group's accounting policies, which are described in Note 3, 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 circumstance, 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:

Impairment of Inter Company Loans

The Company made loans and advances to its subsidiaries as detailed in Note 9 to the financial statements. These loans and advances were established for the purpose of routing funds out of Australia to fund exploration and resource development in Egypt. The recovery of these loans and advances is entirely dependent upon returns from the successful development of mining operations in Egypt or from surpluses from the sale of either the subsidiary companies or their projects.

Recovery of Capitalised Exploration Evaluation and Development Expenditure

The Company capitalises exploration, evaluation and development expenditure incurred on ongoing projects. The recoverability of this capitalised exploration expenditure is entirely dependent upon returns from the successful development of mining operations or from surpluses from the sale of the projects or the subsidiary companies that control the projects. In accordance with AASB 136 *Impairment of Assets,* at the point that it is determined that any capitalised exploration expenditure is definitely not recoverable, it is written off.

INTERNAL CONTROLS

Disclosure 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 2010, 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 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 has evaluated the design of internal control over financial reporting and has concluded that such internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in Canada. In addition, there have been no changes in the Company's internal control over financial reporting during the financial period ended 31 December 2010 that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

FINANCIAL INSTRUMENTS

At 31 December 2010, the Company has exposure to interest rate risk which is limited to the floating market rate for cash.

The Company 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 Company has no significant monetary foreign currency assets and liabilities apart from Australian dollar and United States dollar cash term deposits.

The Company 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 EMRA (as the case may be) and are individual Acts of Parliament.

Title, exploitation and development rights to the Sukari Project 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.

While the Company will be 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 successfully in Egypt, some of which have long histories in the country and have dedicated significant amounts of capital. The Company believes that the successful 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 projects in Egypt.

OVERVIEW OF SUKARI CONCESSION AGREEMENT

Through its wholly owned subsidiary, Pharaoh Gold Mines NL ("PGM"), the Company has entered into a Concession Agreement with EGSMA (now Egyptian Mineral Resource Authority, or "EMRA") and the Arab Republic of Egypt ("ARE") granting PGM and EMRA the right to explore, develop, mine and sell gold and associated minerals in specific concession areas located in the Eastern Desert of Egypt. The Concession Agreement came into effect under Egyptian law on 13 June 1995.

In accordance with the terms of the Concession Agreement, PGM undertook a feasibility study to support its application to EMRA for a "Commercial Discovery" (within the meaning of the Concession Agreement) with respect to the Sukari Project. On 9 November 2001, EMRA notified PGM that the feasibility submission had demonstrated that a Commercial Discovery had been made at the Sukari Project. As a result, the Concession Agreement was converted from exploration to exploitation status and PGM, together with EMRA, were granted an Exploitation Lease over 160 km^2 surrounding the Sukari Project site. The Exploitation Lease was signed by PGM, EMRA and the Egyptian Minister of Petroleum and gives tenure for a period of 30 years, commencing 24 May 2005 and extendable by PGM for an additional 30 years upon PGM providing reasonable commercial justification. The Exploitation Lease will lapse if production of gold is not achieved within five years of the signing date.

Following demonstration of a Commercial Discovery, PGM and EMRA were required to establish an operating company owned 50% by each party (the "Operating Company").The Operating Company, named Sukari Gold Mining Company, was incorporated under the laws of Egypt on 27 March 2006. The Operating Company was formed to conduct exploration, development and exploitation in accordance with the Concession Agreement. The registered office of the Operating Company is at 361 El-Horreya Road, Sedi Gaber, Alexandria, Egypt.

The ARE is entitled to a royalty of 3% of net sales revenue from the sale of gold and associated minerals from the Sukari Project, payable in cash in each calendar half year. Net sales revenue is calculated by deducting from sales revenue all shipping, insurance, smelting and refining costs, delivery costs not payable by customers, all commercial discounts and all penalties (relating to the quality of gold and associated minerals shipped).

Under the Concession Agreement, PGM solely funds the Operating Company but is entitled to recover the following costs and expenses payable from sales revenue (excluding the royalty payable to ARE):

- 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).

Recovery of capital costs shall include interest on a maximum of 50% of investment borrowed from financial institutions not affiliated with PGM provided that PGM shall use best efforts to obtain the most favourable rate of interest, not to exceed LIBOR + 1%. If costs recoverable by PGM exceed the sales revenue (excluding any royalty payable to ARE) in any financial year, the excess is carried forward for recovery in the next financial year or years until fully recovered, but in no case after the termination of the Concession Agreement.

After deduction of the royalty payments and recoverable expenses by PGM, the remainder of the sales revenue from the Sukari Project will be shared equally by PGM and EMRA except that for the first and second years in which there are net proceeds for the entire year, an additional 10% of such proceeds will be paid to PGM as an incentive (i.e. 60% to PGM and 40% to EMRA), and for each of the next two years in which there are net proceeds for the entire year, an additional 5% of such proceeds will be paid to PGM (i.e. 55% to PGM and 45% to EMRA).

In addition, under the Concession Agreement, certain tax exemptions have been granted, including the following:

- commencing on the date of commercial production, PGM will be entitled to a 15 year exemption from any taxes imposed by the Egyptian government. The parties intend that the Operating Company will in due course file an application to extend the tax-free period for a further 15 years. The extension of tax-free period requires that certain activities in remote areas of the lands under the Concession Area have been programmed and agreed by all parties;
- 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 the Sukari Project;
- 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 Project;
- PGM will at all times be free to transfer in US dollars or other freely convertible foreign currency any cash of PGM representing its share of net proceeds and recovery of costs, without any Egyptian government limitation, tax or duty; and
- PGM's contractors and sub-contractors are entitled to import machinery, equipment and consumable items under the "Temporary Release System" which provides exemption from Egyptian customs duty.

Under the Concession Agreement, all land in the Sukari Project shall be the property of EMRA as soon as it is purchased. The title to the fixed and movable assets are to be transferred by PGM to EMRA as soon as their costs are recovered by PGM, with PGM being entitled to use all fixed and movable assets during the term of the Exploitation Lease and any extensions thereof.

In case of national emergency, due to war or imminent expectation of war or internal causes, ARE may requisition all or part of the production from the areas that are the subject of the Concession Agreement, and require the Operating Company to increase production to the utmost extent. ARE may also requisition the mine itself and, if necessary, related facilities. In the event of any requisition, ARE must indemnify EMRA and PGM for the period during which the requisition is maintained.
ARE has the right to terminate the Concession Agreement in the following circumstances:

- PGM has knowingly submitted any material false statements to the Egyptian government;

- PGM assigns any interest to any unrelated party without the written consent of the Egyptian government;
- PGM does not comply with any final decision reached as a result of provisions in the Concession Agreement with respect to disputes and arbitration;
- PGM intentionally extracts any mineral other than gold and associated minerals authorized by the Concession Agreement without the approval of the Egyptian government; or
- PGM commits any material breach of the Concession Agreement.

If the Egyptian government deems that any one of the foregoing causes exists, the government is required to give PGM 90 days' notice to remedy the defaults. If the default remains unremedied at the expiration of the grace period, the Egyptian government may terminate the Concession Agreement.

RISKS AND UNCERTAINTIES

The operations of the Company are speculative due to the high risk nature of its business which includes the acquisition, financing, exploration, development and operation of mining properties. These risk factors could materially affect the Company's future operations and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

Calculation of Mineralisation, Resources and Reserves

There is a degree of uncertainty attributable to the calculation of mineralisation, resources and reserves and corresponding grades being mined or dedicated to future production. Until reserves or mineralisation are actually mined and processed, the quantity of mineralisation and reserve grades must be considered estimates only. In addition, the quantity of reserves and mineralisation may vary depending on commodity prices. Any material change in quantity of reserves, mineralisation, grade or stripping ratio may affect the economic viability of a project. In addition, there can be no assurance that recoveries from laboratory tests will be duplicated in tests under on-site conditions or during production.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges and port facilities are important determinants that affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's activities and profitability.

Title Matters

Any changes in the laws of Egypt relating to mining could materially affect the rights and title to the interests held there by the Company. No assurance can be given that applicable governments will not revoke or significantly alter the conditions of the applicable exploration and mining authorizations nor that such exploration and mining authorizations will not be challenged or impugned by third parties.

Mineral Prices

Factors such as inflation, foreign currency fluctuation, interest rates, supply and demand and industrial disruption have an adverse impact on operating costs, commodity prices and stock market prices and on the Company's ability to fund its activities. The Company's possible revenues and share price can be affected by these and other factors which are beyond the control of the Company. The market price of minerals, including industrial minerals, is volatile and cannot be controlled. The Company's ongoing operations are influenced by fluctuation in the world gold price. If the price of gold or other minerals should drop significantly, the economic prospects of the Company's current project could be significantly reduced or rendered uneconomic. There is no assurance that, even if commercial quantities of ore are discovered, a profitable market will continue to exist for the sale of products from that ore. Factors beyond the control of the Company may affect the marketability of any minerals discovered. Mineral prices have fluctuated widely, particularly in recent years. The marketability of minerals is also affected by numerous other factors beyond the control of the Company, including government regulations relating to royalties, allowable production and importing and exporting of minerals, the effect of which cannot be accurately predicted.

Funding Requirements

Mining exploration and development involves financial risk and capital investment. The capital development of the Sukari Gold Project and the continuance of the Company's development and exploration activities depend upon the Company's ability to generate positive cash flows, obtain financing through the joint venturing of projects, private and public equity project financing, debt and/or other means. There is no assurance that the Company will be successful in obtaining additional financing on a timely basis, or at all.

Uninsured Risks

The mining business is subject to a number of risks and hazards including environmental hazards, industrial accidents, labour disputes, encountering unusual or unexpected geologic formations or other geological or grade problems, encountering unanticipated ground or water conditions, cave-ins, pit wall failures, flooding, rock bursts, periodic interruptions due to inclement or hazardous weather conditions and other acts of God. Such risks could result in damage to, or destruction of, mineral properties or facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability. The Company maintains insurance against certain risks associated with its business in amounts that it believes to be reasonable. Such insurance, however, contains exclusions and limitations on coverage. There can be no assurance that such insurance will continue to be available, will be available at economically acceptable premiums or will be adequate to cover any resulting claim.

Foreign Operations

Operations, development and exploration activities carried out by the Company are or may be affected to varying degrees by taxes and government regulations relating to such matters as environmental protection, land use, water use, health, safety, labor, restrictions on production, price controls, currency remittance, maintenance of mineral rights, mineral tenure, and expropriation of property. There is no assurance that future changes in taxes or such regulation in the various jurisdictions in which the Company operates will not adversely affect the Company's operations. Industrial disruptions, work stoppages and accidents in the course of the Company's operations can result in future production losses and delays, which may adversely affect future profitability. The Company's principal asset is held outside of Australia in Egypt, North Africa. Although the operating environment in Egypt is considered favorable compared to that in other developing countries there are still political risks. The risks include, but are not limited to, terrorism, hostage taking, military repression, expropriation, extreme fluctuations in currency exchange rates, high rates of inflation and labor unrest. Changes in mining or investment policies or shifts in political attitudes may also adversely affect the Company's business. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, maintenance of claims, environmental legislation, expropriation of property, land use, land claims of local people, water use and safety. The effect of these factors cannot be accurately predicted.

Exploration and Development Risks

The successful exploration and development of mineral properties is speculative and subject to a number of uncertainties which even a combination of careful evaluation, experience and knowledge may not eliminate. There is no certainty that the expenditures made or to be made by the Company in the exploration and development of its mineral properties or properties in which it has an interest will result in the discovery of mineralized materials in commercial quantities. Most exploration projects do not result in the discovery of commercially mineable deposits. While discovery of a base metal or precious metal bearing structure may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a site. It is impossible to ensure that exploration programmes carried out by the Company will result in profitable commercial mining operations. The Company's operations are subject to all of the hazards and risks normally incident to mineral exploration, mine development and operation, any of which could result in damage to life or property, environmental damage and possible legal liability for any or all damage. Hazards such as unusual or unexpected formations, pressures or other conditions may also be encountered.

Environmental and Other Regulatory Requirements

The current or future operations of the Company, including development activities and, if warranted, commencement of production on properties in which it has an interest, require permits from various governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health and safety, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. The Company believes it is in substantial compliance with all material laws and regulations that currently apply to its activities. However, there can be no assurance that all permits which the Company may require for the conduct of mineral exploration and development can be obtained or maintained on reasonable terms or that such laws and regulations would not have an adverse effect on any such mineral exploration or development which the Company might undertake. Amendments to current laws, regulations and permits governing operations and activities of mineral exploration companies, or more stringent interpretation, implementation or enforcement thereof, could have a material adverse impact on the Company.

Mining and Investment Policies

Changes in mining or investment policies or shifts in political attitude may adversely affect the Company's business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, maintenance of claims, environmental legislation, land use, land claims of local people, water use and safety regulations. The effect of these factors cannot be accurately predicted. The Subsequent Events note (Note 31) and described below is indicative of the risks and uncertainty associated with the Company's prevailing business.

Hedging and Foreign Exchange

While hedging of commodity prices and exchange rates is possible, there is no guarantee that appropriate hedging will be available at an acceptable cost should the Company choose or need to enter into these types of transactions.

RELATED PARTY TRANSACTIONS

The related party transactions for the six months ended 31 December 2010 are summarised in Note 30 of the Notes to the Financial Statements.

SUBSEQUENT EVENTS

The current political situation in Egypt has not affected the safety of the Company's employees or its day to day operations at its flagship project, Sukari. The Company remains confident that political changes occurring in Egypt will not have a material adverse impact the Company's investment. The Directors of the Company continue to monitor the situation and there are no matters to report outside of what is already publicly available.

Mr H. Stuart Bottomley resigned from the Board effective 02 February 2011. Mr Mark Arnesen and Mr Mark Bankes were appointed to the Board on 24 February 2011.

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

Deloitte.

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The Board of Directors
Centamin Egypt Limited
57 Kishorn Road
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28 February 2011

Dear Board Members

Centamin Egypt Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Centamin Egypt Limited.

As lead audit partner for the audit of the financial statements of Centamin Egypt Limited for the six month period ended 31 December 2010, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Ross Jerrard
Partner
Chartered Accountants

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Centamin Egypt Limited is responsible for the corporate governance of the consolidated entity. The Board guides and monitors the business and affairs of Centamin Egypt Limited on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Board is fully committed to the principle of best practice in corporate governance. This report describes, amongst other things, how the Company has applied the main principles of the Financial Reporting Council's new UK Corporate Governance Code ("the Code"), which is deemed to apply to the current financial period given it began on or after 29 June 2010. Unless disclosed below, the best practice recommendations of the ASX Corporate Governance Council ("ASXCGC"), the Code and the best practice recommendations of the Toronto Stock Exchange and those prescribed under National Policy 58-201 – Corporate Governance Guidelines ("NP 58-201") have been applied for the entire financial period ended 31 December 2010. Since migrating to the main market of the London Stock Exchange on 6 November 2009, the Company has also adhered to the provisions of the Model Code. Where there has been any variation from the recommendations, those practices continue to be the subject of the scrutiny of the full Board.

Copies of the current Board and Committee Charters and Policies are available on the Company's website www.centamin.com. A copy of the Code is available at www.frc.org.uk.

The Company's principal activity and strategy is the exploration and development of precious and base metals, production of gold and ongoing development at the Sukari project.

Board Composition:

The Board comprised of seven Directors during the reporting period, and currently eight Directors, of whom the Chairman, the Chief Executive Officer and the Executive Director of Operations are the only Executive Directors. The best practice recommendations of the ASXCGC, the UK Corporate Governance Code and NP 58-201 favour that the Chairman be an independent Director. However, as the Executive Chairman, Mr Josef El-Raghy, has been primarily based in Egypt during the Company's development, where his knowledge of the Company's project, the Egyptian culture and government contacts are invaluable, the Board believes that it is appropriate in the Company's circumstances that his role and status continues to be both as an Executive and as Chairman. Major shareholders were consulted before Mr El-Raghy transitioned from Managing Director/CEO to Chairman on 3 March 2010.

The period of office held, skills, experience and expertise relevant to the position of each Director who is in office at the date of the annual report, their attendances at meetings and their term of office are detailed in the Directors' Report.

The names of the Directors of the Company in office at the date of this statement are:

Name	Position	Committees
Josef El-Raghy	Chairman	-
Harry Michael	Chief Executive Officer	-
Trevor Schultz	Executive Director of Operations	-
Mark Arnesen	Independent Non Executive Director	Audit Committee
Mark Bankes	Independent Non Executive Director	Compliance/Corporate Governance Committee
Colin N Cowden	Independent Non Executive Director	Audit Committee Nomination and Remuneration Committee
Thomas G Elder	Independent Non Executive Director	Nomination and Remuneration Committee Compliance/Corporate Governance Committee
G Robert T Bowker	Independent Non Executive Director	Audit Committee Nomination and Remuneration Committee Compliance/Corporate Governance Committee

Josef El-Raghy, Colin Cowden and Robert Bowker are also Directors of the wholly owned subsidiary companies, Pharaoh Gold Mines NL, Viking Resources Ltd, and North African Resources NL. Josef El-Raghy and Tom Elder are also Directors of the wholly owned subsidiary, Centamin Limited. External Directorships of the Company's Directors are detailed in the Directors' Report.

Non Executive Directors have the right to seek independent professional advice in the furtherance of their duties as Directors, at the Company's expense. Written approval must be obtained from the Chief Executive Officer prior to incurring expenses on behalf of the Company.

When determining whether a Director is independent, the Board has established a Directors' Test of Independence Policy, which is based predominantly on the definition of independence as defined in Canadian Securities Administrators' Multilateral Instrument 52-110 ("MI 52-110"), and is available on the Company's website or upon request. The criteria in MI 52-110 are mandatory and are more stringent in certain respects than the independence criteria suggested by the ASXCGC or the Code. Based on this Policy, the majority of the Board are considered by the Board to be independent Non Executive Directors. The Board considers that Mr Cowden is independent in character and judgment, notwithstanding the length of his tenure on the Board. Furthermore, the Board believes that Mr Cowden's financial expertise and experience provide a valuable contribution to the deliberations and operations of the Board and certain Committees. In addition, the Board considers that each of Dr Tom Elder and Mr Stuart Bottomley is/was independent in character and judgment, notwithstanding their previous participation in the Company's Employee Option Plan.

The Directors are aware of the need for the composition of Board to evolve with the development of the Company, and have commenced revising the composition of the Board, beginning with the appointment of Mr Arnesen and Mr Bankes.

The Company's Constitution requires one-third of the Directors (or, if their number is not a whole multiple of three, then the number nearest to but not exceeding one-third) to retire from office at every Annual General Meeting, provided that no Director may retain office without re-election for more than three years or until the third Annual General Meeting following his appointment, whichever is the longer, without submitting himself for re-election.

The Directors note that the policy outlined above is not in compliance with paragraph B.7.1 of the Code, which requires all directors of FTSE 350 companies to be subject to annual election by shareholders. The Directors believe that their existing arrangements ensure proper accountability and underpin Board effectiveness and, whilst they are committed to the principle of best practice in corporate governance, after consultation with the Company's Compliance / Corporate Governance Committee, the Directors do not consider it appropriate for all Directors of the Company to be subject to annual election by shareholders.

Meetings of Independent Directors:

Mr Stuart Bottomley was the Company's Senior Independent Director from 26 August 2009 until 02 February 2011. Mr Bottomley was responsible for meeting with other Non Executive Directors and major shareholders on a regular basis, and chaired meetings of the Company's independent Directors, who meet at least once a year without the non-independent Directors and members of management present. The Company has not yet appointed a new Senior Independent Director following Mr Bottomley's retirement on 02 February 2011. However, the Board has identified and expects to appoint at least one additional independent non executive director in the near future. Once the revised Board is in place, a new senior independent director will be appointed. Although the Company has not implemented formal structures or procedures for the independent functioning of the Board of Directors, the Board of Directors believes that it operates independently of management.

Position Descriptions:

The roles of Chairman and Chief Executive Officer are strictly separated as defined in the Company's Board Charter and their individual employment contracts. Below are extracts from both employment contracts.

- Harry Michael, CEO

  "3.1 Duties

  Throughout the Term, the Employee shall assume and discharge his duties and in so doing shall use his best endeavours to promote, develop and extend the business of the Employer and Pharaoh and to further their prosperity and reputation.

  Without in any way countering any other executive responsibilities which the Employee may reasonably be expected to perform as one of the key executives of the Company, your duties will include the following:·

  - Responsibility for Operations and Financial Performance
  - Providing clear leadership to the Executives and Employees
  - Preparing strategy, plans, objectives etc. and implementing them

- Submitting acquisition / investment proposals and implementing them
- Developing organisation structures and succession planning
- Together with Chairman, communicating to investors etc.

As a member of the executive team and member of the Centamin Board you may be appointed as part of your responsibilities to be a member of any sub committee of the Board and be required to contribute substantially to the business planning and strategic initiatives needed to advance the Company's long-term goals and to preserve its status as a well regarded corporate citizen and mid tier gold producer.

Subject to regular shareholder approval you shall be appointed and remain on the Board of Centamin Egypt Limited.

Various performance standards and goals will be agreed with you, consistent with your responsibilities and duties."

❖ Josef El-Raghy, Chairman

"3.1 Duties

Throughout the Term, the Employee shall assume and discharge his duties and in so doing shall use his best endeavours to promote, develop and extend the business of the Employer and Pharaoh and to further their prosperity and reputation.

In essence, while the CEO leads internally, as Chairman you will be expected to support the CEO and add value in strategy and structure, while ensuring that the Company is represented with integrity and influence to institutions, analysts and other stakeholders.

Specific duties can be summarised as follows:

- Maintaining consistent strategic input
- Enhancing the standing of the Company among its stakeholders
- Negotiating with Egyptian authorities at national and local level
- Chairing the Board and AGMs
- Running the Board and ensuring its effectiveness in all aspects of its role, including regularity and frequency of meetings
- Setting the Board agenda, taking into account the issues and concerns of all the Board members
- Recommending to the Board the appointment/dismissal of the Chief Executive and non-executive directors
- Ensuring that the Directors receive accurate, timely and clear information on the Company's performance
- Overseeing of regulatory and compliance issues
- Ensuring the Board is balanced and annually reviewing its performance
- Identifying and securing potential acquisition opportunities to enhance the Company's long term growth

Subject to regular shareholder approval you shall be appointed and remain on the Board of Centamin Egypt Limited.

Various performance standards and goals will be agreed with you, consistent with your responsibilities and duties."

The Company intends to develop formal written position descriptions for the Chair of each Board committee.

Mandate/Charter of the Board of Directors:

The Board of Directors supervises the management of the business and affairs of the Company. The Board of Directors assumes responsibility for the stewardship of the Company, and the functions the Company has established that are reserved to the Board include:

- *Strategic Planning:* The Board of Directors regularly reviews and approves strategic plans and initiatives of the Company at Board of Directors meetings, and otherwise as required.
- *Risk Assessment:* The Board of Directors has primary responsibility to identify principal risks in the Company's business and ensure the implementation of appropriate systems to manage these risks. See "Managing Risks" below.
- *Succession Planning:* The Board of Directors is responsible for succession planning, including the appointment, training and monitoring of senior management.
- *Communications:* The Board of Directors oversees the Company's public communications with shareholders and others interested in the Company.
- *Internal Controls:* The Board of Directors and the audit committee of the Board of Directors oversee the Company's internal control and management information systems.

In addition to its general oversight responsibilities, significant transactions out of the ordinary course of the Company's business or which may be material to the Company are considered and approved by the Board of Directors. The Board of Directors generally has at least six regularly scheduled meetings in each year. Additional meetings may be held depending upon opportunities or issues to be dealt with by the Company from time to time. During the financial period 31 December 2010, the Board of Directors held three (3) meetings, and considered and passed eight (8) circular resolutions pursuant to the Company' Constitution.

A full copy of the Company's Board Charter is available on the Company's website or upon request.

Orientation and Continuing Education:

The Company's formal orientation or education program for new Directors begins with new Board members receiving an orientation package which includes reports on operations and results, and public disclosure filings by the Company. Board meetings are combined with presentations by the Company's management and employees to give the Directors additional insight into the Company's business. In addition, management of the Company makes itself available for discussion with all members of the Board of Directors. New Board members are also encouraged to broaden their skills and knowledge by undertaking continuing education.

Managing risks:

The Board meets regularly to evaluate, control, review and implement the Company's operations and objectives.

Regular controls established by the Board include:

- timely and detailed monthly financial and operational reporting;
- implementation of operating plans, cash flows and budgets by management and Board monitoring of progress against projections; and
- procedures to allow Directors, and management in the furtherance of their duties, to seek independent professional advice via the utilisation of various external technical consultants.

The Board is responsible for reviewing and approving the Company's risk management strategy, policy and key risk parameters, including determining the Group's appetite for country risk and major investment decisions. Management reports to the Board on the Company's key risks and the extent to which it believes these risks are being managed. This is performed periodically. The Board is also responsible for satisfying itself that management has developed and implemented a sound system of risk management and internal control. The Board has delegated oversight of the Risk Management Policy, including review of the effectiveness of the Company's internal control framework and risk management process, to the Audit Committee, which is reviewed at least annually. Management is responsible for designing, implementing, reviewing and providing assurance as to the effectiveness of the Policy. This responsibility includes developing business and functional risk identification, specific risk treatment, controls, monitoring and reporting capability. A standardized approach to risk assessment is used to ensure that risks are consistently assessed and reported to an appropriate level. The Board regularly discusses risks associated with the Company's business and operations along with the Company's risk tolerance. The Company has developed a series of operational risks which the Company believes to be inherent to the Company. These operational risks are summarized in the Management, Discussion and Analysis section of this annual report. Mitigation and optimization strategies are considered equally important in risk management.

The Risk Management Policy is available on the Company's website or upon request.

Monitoring of the Board's performance

In order to ensure that the Board continues to discharge its responsibilities in an appropriate manner, the performance of all Directors is constantly reviewed by the Chairman. The Company established a formal process for evaluation of the Board, the Board members, or Board committees during August 2010. A formal Board evaluation questionnaire was drafted and delivered to each member of the Board for completion. The questionnaire covered questions on the structure of the Board, the selection of management, strategy determination, etc, as well questions on each Director's personal contribution to the board and the Company's Committees. The completed questionnaires were provided to the Chairman for review and subsequent discussion. The Company did not utilize any external search consultancy or open advertising during this process, however, it will consider doing so in due course.

Nomination and Remuneration Committee and policies:

The Nomination and Remuneration Committee comprises Dr Tom Elder (Chairman), Mr Colin Cowden and Professor Robert Bowker, all independent Directors of the Company.

The Committee's primary functions are to:-

(a) make recommendations to the Board on:-
   i) The Company's remuneration, recruitment, retention, termination, superannuation and incentive policies and procedures for Directors and senior executives;
   ii) The Employee Option Plan;
   iii) The development of a process for evaluation of the performance of the Board, its committees and Directors.

(b) Review the necessary and desirable competencies, skills, knowledge and experience of Directors;

(c) Review the Board succession plans; and

(d) Make recommendations for the appointment, re-election and removal of Directors to/from the Board.

The Board believes that whilst the Company has the correct number of independent Non Executive Directors located in different jurisdictions, a single committee combining both nomination and remuneration functions, rather than separate committees, is appropriate in the Company's circumstances, as this allows committee meetings to be held in an efficient manner and on a timely basis.

The Nomination and Remuneration Committee establishes guidelines for the future nomination and selection of potential new Directors. The full Board (subject to members voting rights in general meeting) is ultimately responsible for selection of new members and has regard to a candidate's experience and competence in areas such as mining, exploration, geology, finance, administration and other areas of relevance that can assist the Company in meeting its corporate objectives and plans.

Under the Company's current Constitution:

- the maximum number of Directors on the Board is ten;
- a Director may not retain office for more than three years without submitting for re-election;
- at the Annual General Meeting (AGM) each year effectively one third of the Directors in office retire by rotation and must seek re-election by shareholders (for further information on Code compliance, please refer to the heading "Board Composition above); and
- any Director appointed by the Board must have their election confirmed by shareholders at the next AGM.

Non Executive Directors who have served more than nine years on the Board are subject to annual re-election at the Company's AGM. Where a Non Executive Director has served six years or longer on the Board, their re-election will be subject to particularly rigorous review and will take into account the need for progressive refreshing of the Board.

The Company has established a Remuneration Policy which sets out the structure of the remuneration of key senior executives, Executive Directors, Non Executive Directors, termination, disclosure of remuneration etc. The Board has also established a Selection, Appointment and Re-Appointment of Directors Policy which details the procedures for the selection, appointment, re-appointment and evaluation of the Company's Directors. The Committee considers both policies before making recommendations to the Board on nomination and remuneration matters. Both Policies, along with the Nomination and Remuneration Committee Charter are available on the Company's website or upon request.

All compensation arrangements for Directors and senior executives are determined by the Committee and approved by the

Board, after taking into account the current competitive arrangements prevailing in the market.

The amount of remuneration for all Directors including the full remuneration packages, comprising all monetary and non-monetary components of the Executive Directors and executives, are detailed in the Directors' Report. Non Executive Directors receive annual fees within an aggregate Directors' fee pool limited to an amount which is approved by shareholders. The Board Nomination and Remuneration Committee reviews and recommends, for Board approval, remuneration levels and policies for Directors within this overall Directors' fee pool. The fees which are paid are also periodically reviewed. The current annual fee for Non Executive Directors is a base fee of A$40,000 p.a. Due to the additional time required, the Chairperson of the Board's various Committees receives an additional fee (currently A$10,000) for Chairing that Committee, and the members of each committee also receive an additional fee (currently A$5,000) for being a Committee member. These amounts include any statutory superannuation payments where applicable. The exception to this is Professor Bowker who is paid A$100,000 p.a. (including superannuation and committee fees), due to the additional time required to attend meetings on behalf of, or in connection with, the Company in the Middle East. Non Executive Directors fees are currently under review.

Although no formal written policy has been established, the senior executives are responsible for:-

- developing corporate strategy, performance objectives, business plans, budgets etc for review and approval by the Board;
- managing the day to day business of the Company;
- managing the risk and compliance frameworks including reporting to the Board and, where necessary, the market;
- appointing staff, evaluating their performance and training requirements as well as development of Company policies; and
- ensuring all available information in connection with items to be discussed at a meeting of the Board is provided to each Director prior to the meeting.

The Chief Executive Officer is responsible for ensuring senior executives properly discharge the responsibilities delegated and for keeping the Board informed on these matters.

The performance of senior executives is evaluated by the Nomination and Remuneration Committee, often taking into account recommendations from the Chief Executive Officer and/or Chairman. The Board can exercise its discretion in relation to approving incentives, bonuses and options and can recommend changes to the Committee's recommendations. All executives receive base salary and superannuation (if applicable) and in some cases, performance incentives and fringe benefits. These packages are reviewed on an annual basis. All remuneration paid to executives is valued at the cost to the Company and is measured in accordance with the applicable accounting standards.

The performance of our senior executives was evaluated in the current financial period by the Nomination and Remuneration Committee. The Committee reviewed recommendations received from the Chairman, considered the performance of the senior executive, his/her current contract, and whether a bonus and/or the grant of employee options was warranted. In the previous financial year, the Board believed it to be appropriate to base performance on how well the executive performs his/her role, and not necessarily base it on the Company meeting financial objectives. The Company has now established a structured short term incentive scheme, details of which can be found in the Remuneration Report contained within this Annual Report.

Directors, executives and employees have in the past been invited to participate in the shareholder approved Employee Option Plan. Separate shareholder approval was sought before any Director could be issued options. Shares issued were valued as the difference between the market price of those shares and the amount paid by the Executive. Options were valued using the Black-Scholes methodology. The Company ceased issuing options under the Employee Option Plan in August 2009. The Company recently sought and received shareholder approval of the Executive Director Loan Funded Share Plan 2011 and the Employee Loan Funded Share Plan 2011. No shares have been issued under these plans at the date of this report.

Non Executive Directors have long been encouraged by the Board to hold shares in the Company to align their interests more closely to those of the Company's shareholders, however, share ownership is not enforced by the Company.

The Board expects that the remuneration structure that is implemented will result in the Company being able to attract and retain the best executives to manage the economic entity. It will also provide the Executives with the necessary incentives to work to grow long-term shareholder value. Please refer to the Remuneration Report which forms part of the Directors' Report for information on remuneration paid to Directors and executives during the financial year.

There are no schemes for retirement benefits other than statutory superannuation for Non Executive Directors.

Compliance / Corporate Governance Committee:

During the financial period, the Compliance / Corporate Governance Committee comprised Mr Stuart Bottomley (Chairman), Professor Robert Bowker and Dr Tom Elder, all independent Directors of the Company. Following Mr Bottomley's retirement from the Board, Mr Mark Bankes was appointed as Chairman of the Committee on 24 February 2011.

The Committee assists the Board in fulfilling its fiduciary responsibilities by making recommendations to the Board with respect to the formulation or re-formulation of and implementation, maintenance and monitoring of the Company's Corporate Compliance Program and Code of Conduct as may be modified, supplemented or replaced from time to time, designed to ensure compliance with corporate governance policies and legal rules and regulations. Fundamental to the Company's corporate governance policy and practice is that all Directors and employees reflect the Company's key values of accountability, fairness, integrity and openness. The Committee oversees the Company's activities in the area of corporate compliance that may impact the Company's business operations or public image, in light of applicable government and industry standards, legal and business trends and public policy issues. It will pay particular attention to health and safety, environmental, archaeological and social responsibility issues addressed by the Company.

Audit Committee:

During the financial period, the Audit Committee comprised Mr Colin Cowden (Chairman), Mr Stuart Bottomley and Professor Robert Bowker, all independent Directors of the Company according to the Company's Directors' Test of Independence Policy. Following Mr Bottomley's resignation from the Board, Mr Mark Arnesen was appointed to the Committee on 24 February 2011. Though Mr Colin Cowden remains a member of the Committee, Mr Arnesen was appointed Chairman of the Audit Committee, after it became evident late in 2010 that certain of our Shareholders had concerns about Mr Cowden's independence, notwithstanding the fact that the Board considered him independent under the Directors' Test of Independence Policy.

The Company has a duly constituted Audit Committee which now comprises three Australian based independent Directors whose names, qualifications and attendances are included in the Directors' Report. The responsibilities of the Audit Committee are laid out in its charter, and amongst other things, includes the responsibility to ensure that an effective internal control framework exists within the entity, and to review quarterly, half yearly and annual financial statements for submission to the Board for approval. The Committee receives regular reports from management and external auditors on accounting and internal control matters. This includes the safeguarding of assets, the maintenance of proper accounting records, the need for an internal audit function and the reliability of financial information as well as non-financial considerations. The Audit Committee will also recommend the appointment, and will review the fees, of external auditors. The Committee and the Board reviewed the need for an internal audit function during the year and resolved not to implement an internal audit function at the time, and will review the requirement of this function from time to time.

All Audit Committee members are required to be financially literate as per the definition of financial literacy contained in section 1.5 of Multilateral Instrument 52-110. For the purposes of that instrument, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

A copy of the Audit Committee Charter is available on the Company's website or upon request.

External auditors:

The auditors of the Company, Deloitte Touche Tohmatsu ("Deloitte"), have open access to the Board of Directors at all times. Deloitte have audited the Company and its subsidiaries for a number of years and have adopted a policy of rotating audit partners every five years. The last rotation of the audit partner occurred during the financial year ended 30 June 2009.

Deloitte do attend the Company's Annual General Meeting and it is consistent with their current business practice, and is in accordance with s250RA of the Corporations Act 2001.

It is the Company's policy to put the Company's audit out to tender at least every five years.

Securities Trading Policy:

The Company has adopted a formal Securities Trading Policy restricting Directors, senior executives and employees from acting on material information until it has been released to the market in accordance with the requirements of continuous disclosure. Directors and senior management of LSE listed companies are restricted in a number of ways, by statute, common law and by the Model Code to deal in the Company's securities. This rule imposes restrictions beyond those imposed by law in that the Directors and certain employees and persons connected with them do not abuse and do not place themselves under suspicion of abusing price-sensitive information that they have or are thought to have, especially in periods leading up to announcement of results (close periods). The Company's Securities Trading Policy is available on the Company's website or upon request.

Commitment to stakeholders & ethical standards:

The Board supports the highest standards of corporate governance and requires its members and the management and staff of the Company to act with integrity and objectivity in relation to:

- Compliance with laws and regulations affecting the Company's operations;
- Listing rules, the UK Corporate Governance Code, and NP 58-201;
- Employment practices;
- Responsibilities to the community;
- Responsibilities to the individual;
- The environment;
- Conflict of interests;
- Confidentiality;
- Ensure that shareholders and the financial community are at all times fully informed in accordance with the spirit and letter of the Model Code and the Canadian Securities Administrators' National Instrument 51-102;
- Corporate opportunities or opportunities arising from these for personal gain or to compete with the Company;
- Protection of and proper use of the Company's assets; and
- Active promotion of ethical behaviour.

The Company has a formal Code of Conduct, which all Directors, employees and contractors are required to observe, and a range of corporate policies which detail the framework for acceptable corporate behaviour. These set out the procedures that personnel are required to follow in a range of areas, including compliance with the law, dealing with conflicts of interest, use of knowledge and information, gifts and entertainment, responsibility to shareholders and the financial community etc. The Company's policies are reviewed periodically.

A copy of the Code of Conduct is available on the Company's website or upon request.

Communication to shareholders:

The Board of Directors aims to ensure that shareholders are provided with important information in a timely manner through written and electronic communications. It is for this reason that the Company established a Shareholder Communications Policy.

The Board of Directors aims to ensure that the shareholders, on behalf of whom they act, are informed of all information necessary to assess the performance of the Company. Information is communicated to the shareholders through:

- the Annual Report;
- the Annual Information Form;
- the availability of the Company's Quarterly Report, Half-Yearly Report and other announcements distributed to shareholders so requesting;
- adherence to continuous disclosure requirements;
- webcasts of the Company's quarterly results;
- the Annual General Meeting and other meetings called to obtain shareholder approval for Board action as appropriate; and
- the provision of the Company's website containing all of the above mentioned reports and its constant update and maintenance.

The Chairman, CEO and other Directors, communicate with major shareholders on a regular basis in the way of face to face contact, telephone conversations, and analyst and broker briefings, to help better understand the views of the shareholders. Any material feedback is then discussed at Board level.

The Board recognises the importance of keeping the market fully informed of the Company's activities and of communicating openly and clearly with all stakeholders. The Company established a formal Continuous Disclosure Policy to ensure that this occurs. The Policy is designed to ensure compliance with the listing rules in all jurisdictions in which the Company is listed. A copy of this Policy is available on the Company's website or by request.

In accordance with the Policy, Company information considered to be material is announced immediately to the LSE and TSX. All key communications are placed immediately on the Company website, and when necessary, provided directly to shareholders. As part of the move to the Main Market of the London Stock Exchange, the Company now complies with the various obligations imposed on it pursuant to the Disclosure Rules and the Transparency Rules ("DTRs").

Statement by the Chief Executive Officer and Chief Financial Officer

The Board receives written assurance from the Chief Executive Officer and Chief Financial Officer to confirm that to the best of their knowledge and belief, the group's financial position presents a true and fair view and that the financial statements are founded on a sound system of risk management, internal compliance and control. Further, it is confirmed that the group's risk management and internal compliance is operating efficiently and effectively. The Board notes that due to its nature, internal control assurance from the Chief Financial Officer and Chief Financial Officer can only be reasonable rather than absolute, and therefore is not and cannot be designed to detect all weaknesses in control procedures.

CORPORATE SOCIAL RESPONSIBILITY REPORT

REPORT PROFILE

Centamin Egypt Limited's inaugural Company Sustainability report covers the Company's activities and initiatives during the 2010 calendar year. This report will provide stakeholders with the Company's performance of its material assets, its legal and social obligations and initiatives to contribute meaningfully to the regions and countries where we actively carry out our business activities.

With the company's operation at the Sukari gold mine commencing commercial production in early 2010, many of our sustainability initiatives are in the planning or infancy stages, as engagement with key stakeholders takes place. In line with our first year in commercial production comes our first Sustainability Report. As such, we have kept reporting brief and concise for this initial report and have not opted for any 3rd party independent audit for this period to allow Management the opportunity to more fully develop its plans, systems and relationships and make any future audit more meaningful both to the company and its stakeholders.

As such whilst the aim of this report is intended to be in accordance with the G3 guidelines of the Global Reporting Initiative (GRI), being the company's first attempt at such a target it is mindful that it has not had the opportunity to independently audit such a goal. Our intention is to have this formally and fully in place during the course of 2011.

The report should be read in conjunction with this complete annual report.

A MESSAGE FROM THE EXECUTIVE CHAIRMAN

Allow me to welcome you to our first Sustainability Report for our Company. The information contained in this report will broadly outline the non-financial performance of the Company in 2010, the key performance indicators, where established, against our own metrics, as well as our overall vision in aligning ourselves with the Global Reporting Intiative (GRI) G3 guidelines. The key areas that impact our non-financial performance are:

- The safety and well being of our employees;
- The places where we conduct our business;
- The physical environment around us and our impact on this environment; and
- Our partners in the development and operation of Sukari, the Egyptian Mineral Resource Authority (EMRA) and the Arab Republic of Egypt.

The key challenge and achievement in 2010 was the commissioning of and first production from the Sukari process plant (Stages 1 and 2 in January and April 2010 respectively) as well as the recruitment and development of our Egyptian employees most of whom enter the mining industry for the first time. Management systems and controls around the new operation became a focal point as well as optimising the organisational reporting structure through to the Board.

The Company maintains a clear and transparent policy at all times with its permitting and operating activities within Egypt and takes seriously its position as a pioneer of modern mining in Egypt. As the first mining company to operate in a new region we are mindful we are setting a benchmark for how mining activities should be conducted..

COMPANY PROFILE

Organizational Profile

Centamin Egypt Limited ("Centamin" or "the Company") is a mineral exploration, development and mining company that has been actively exploring in Egypt since 1995. Pharaoh Gold Mines NL ("PGM"), a wholly owned subsidiary of the Company, EGSMA (now "EMRA") and the Arab Republic of Egypt ("ARE") entered into a 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.

In May 2005, Centamin was granted a 160 sq km exploitation lease around the massive Sukari Hill gold project. The current resource at Sukari is over 14 million ounces of gold with ongoing drilling expected to add significantly to this resource. A 4Mtpa gold processing facility was commissioned in late 2009 with optimal design throughput achieved during December

2009 and gold exports commenced in 2010.

The project is the first modern mining endeavour within Egypt and has returned the country to being a gold producer once again from what was a historically very important gold province. The Company's activities are providing many direct and indirect employment, training and work experiences to Egyptians working in the project as well as an immediate revenue stream for the local economy and the Government. We believe that we are paving the way for additional investments in the minerals sector within a positive enabling environment for investment in Egypt.

Sukari Gold Mine

….. The First Modern Gold Mine in Egypt

The Sukari Project is the first large-scale modern gold mine in Egypt. The region has a very long history of mining and exploration being carried out, beginning from Pre-dynastic (Ca 3,200 BC), through Ptolemaic, Roman, Arab and British colonial periods.

The Sukari Project's features comprise:

- Open pit and underground mining operations;
- A process plant with a throughput of 4 Mtpa ore;
- Dump leach operations;
- A 25 km pipeline constructed to bring 600 tph of seawater to the project from the Red Sea;
- Two diesel fired power stations one of 28 MW and one of 7 MW;
- A tailings storage facility constructed and operated to World Bank Guidelines;
- An 800 man accommodation camp with well equipped restaurant, recreational and health facilities;
- Maintenance workshops and mobile servicing equipment; and
- Emulsion unit and related explosives magazines.

Construction of the Sukari Project commenced in March 2007 with commissioning of the Stage 1 Process Plant taking place in December 2009. Regular gold exports commenced in January 2010. Commissioning of the Stage 2 (Sulphide) circuit was completed in April 2010 for a total project capital cost of approximately US$270 million. Expansion plans are currently underway to increase process plant throughput to 10 Mtpa by 2012.

With a resource of 10.99 million ounces Measured and Indicated, and 3.5 million ounces Inferred, and a 9.1 million ounce proven and probable reserve base, the Company is implementing a rapid expansion program to increase production to circa 500,000 oz per year over the next three years. As the first and only significant developer of a modern mine in the country, the Company remains well positioned to realize further opportunities within its concession and expand into other prospective mineralized zones.

Corporate Governance

Please refer to the Corporate Governance Statements which forms part of this annual report. Copies of all of the *Company's Policies and Charters* (including the HSE Policy) can be found on the Company's website – www.centamin.com.

Overall Sustainability Performance

In its inaugural year of commercial production, the Company has put in place many of the controls, systems and measures to manage and improve on its sustainability performance in the coming years. Importantly these revolve around our people, their various levels of experience and our commitment to play an integral part in the social and economic development of our region and indeed Egypt.

Necessarily, our greatest initial focus as the first modern mine in Egypt was on the health and safety of our newly recruited employees. We are thus pleased to report that in our first operational year of production we achieved slightly better than our own very stringent benchmark, the Western Australian Surface Gold Mines LTIFR of 0.5 (2009). As our systems mature and our employees gain more experience and confidence on the job and with the specific formal training taking place We are confident that this performance will be further improved.

Commensurate with this has been the establishment of training programs not only focused on Health and Safety but also on the specifics of the Sukari operation. The enthusiasm and the take up of skills and knowledge by our Egyptian employees can only be described as outstanding. As more programs are rolled out we remain confident that the localisation programs we have set ourselves will be met.

Our Environmental performance was without any significant incident for the year. However, we need to continue to improve the scope of our monitoring and management controls particularly with respect to emissions and waste management to bring this into line with international reporting guidelines. This will be our focus for 2011.

The Company's continued engagement of local community representatives and other key stakeholders in the region have given it a strong and positive local reputation at the popular level. Our focus on helping those in need as well as supporting the strong cultural fabric of Egyptian society has resulted in a strong acceptance and support of our investment. In 2011 this support will continue and be broadened with more dedicated resources to ensure the benefits of our investment can be seen by all Egyptians.

The overarching support and control of the above will be the HSES Committee established on the Centamin Board during 2011 which will review quarterly and guide the implementation of best practice in this important area.

Critically to support the HSES Committee in its review and assessment, independent auditing of our HSES performance will commence during 2011.

Challenges in all these areas remain. Engagement, education, training and support from host countries, their people and governments can never be taken for granted.

We all recognise that this is only a beginning but we believe that "what starts well, usually ends well" and in 2010 we have indeed started well.

ECONOMIC PERFORMANCE

This Sustainability Report does not include all the information related to the economic performance of Centamin and will not provide a full analysis of the financial performance in 2010. The Sustainability Report should be read in conjunction with the Annual Report, in which this topic is addressed in details.

Key highlights of the Company's 2010 economic performance from its Sukari Gold Project are presented as follows:

- Commencement of commercial production early in 2010;
- Production of 150,290 ounces of gold at a cost of production of $517per ounce.;
- Average received gold price of $1,232 per ounce;
- Operating profit for the calendar year of $50.7M;
- Expenditure of $7.8.M on the Company's Stage 3 expansion to 5 Mtpa which brought it to 81% complete;
- Gross cash flow of $161M which included a corporate equity raising of $142M during the period;
- During the year the Company or its direct contractors employed 1,250 people on site and in its Alexandria office.

ENVIRONMENTAL PERFORMANCE

Main Goal

Centamin is committed to minimizing the risks of its environmental impacts of its mining and processing activities. In that respect, the Company is committed to the adoption of sound environmental management practices to ensure that the environment is taken into consideration in all phases of its exploration, development, mining and processing activities.

In 2011, we are committed to maintain the level of environmental performance that we reached in 2010 and to enhance that performance.

Proactive Approach towards Potential Environmental Impacts
..... Early Identification and Management of Impacts

We adopt a proactive approach to ensure that Sukari is being developed and operated in an environmentally sound manner through early recognition of potential environmental impacts and their incorporation in the project design. In that respect, an Environmental and Social Impact Assessment (ESIA) was completed for the Sukari Project in accordance with the World Bank Equator Principles prior to development. The ESIA was completed in February 2007 and submitted to the Egyptian Environmental Affairs Agency (EEAA) through the Egyptian Mineral Resources Agency (EMRA) in March 2007 and was approved in April 2007. As an integral part of the ESIA, a public consultation process was also undertaken with public consultation meetings held in Marsa Alam (the closest town to the project) during the course of preparation of the ESIA. All concerns raised were satisfactorily answered or mitigated and no significant objections are outstanding.

Various addenda have subsequently been submitted and approved by the EEAA which included:

- Expansion of the fuel fired power plant in March 2008 (approved in May 2008);
- Seawater intake and pipeline submitted in January 2009 (approved in March 2009); and
- Oily sludge incinerator submitted in February 2009 (approved in May 2009).

The ESIA and its addenda set the framework for the environmental management scheme that is adopted at Sukari and delineate measures that should be taken to prevent or minimize potential impacts.

The Company intends to submit an additional addendum for its Stage IV expansion during 2011 to the EEAA for approval.

Environmental Management Scheme at Sukari

.... Setting the Stage for Sound Environmental Management

Organizational Responsibility

The responsibility for overseeing the environmental performance of the Company lies with the HSE Department. The team is responsible for the follow-up on the implementation of environmental procedures and instructions at the site, management of monitoring and inspection activities, investigating environmental incidents or foreseen issues as well as coordinating actions geared towards minimizing environmental impacts and promoting environmental awareness. In 2011, we are aiming at expanding the environmental team.

Each employee and contractor in Sukari mine site has an obligation to abide by and fully implement the Company environmental policy, standards, procedures and instructions.

Management System Elements

The management system currently being developed at Sukari will follow the ISO14001 standard. Several elements of the system are currently being implemented however its final configuration is still to be set. The system is based on setting annual HSE plans, development of documented procedures and standards, awareness and training of employees and monitoring of performance to achieve further improvement. The system is supported by a robust documentation system that ensures the maintenance of required registers, documents and renewal of required permits. In 2011, the environmental management system will be fully developed with all needed procedures and instructions in place.

Creating an Environmentally Responsible Culture

Employees are made aware of the Company's environmental responsibilities and procedures through different means. All new employees receive adequate environmental induction to introduce them to the Company's systems and procedures as well as inform them of their responsibilities and expected performance. Area specific inductions focus on environmental obligations and impacts related to specific work operations.

Awareness campaigns are periodically launched and implemented. For example "Keep Sukari Clean" campaign focused on waste management issues and included awareness sessions, distribution of brochures and signs, participation in housekeeping activities for different project areas as well as renovation of waste collection points. Several training sessions have been rolled out including general environmental management, waste management as well as use of PPEs. Environmental issues are discussed in pre-start meetings, HSE meetings, as well as in toolbox talks.

In 2011, there will be a focus on a more comprehensive environmental training in relation to standards and procedures.

Monitoring Environmental Performance

..... Progressing with a Navigator in Hand

Environmental monitoring is an essential activity to monitor our environmental performance as well as guide our planning and performance enhancement initiatives. The Sukari monitoring plan addresses different facets of the environmental aspects:

- Water quality, tailing storage facility water quality, groundwater quality;
- Air quality, air emissions and dust;
- Treated wastewater;
- Work environment parameters including dust, noise, illumination;

- Waste management practices;
- Potential impacts on biodiversity; and
- Potential impacts on cultural heritage.

Monitoring methodology includes measurements, auditing, visual inspection, inventory calculations as well as systematic observation of the work and behaviour of staff. Measurements are performed through external entities laboratories. A meteorological station was installed at Sukari as part of a nation-wide program initiative.

Reactive monitoring is also undertaken to provide information on incidents that have occurred and provide insights into means of preventing similar incidents in the future.

The monitoring results are analysed to detect the need for corrective or preventive actions. The monitoring results are reported to top management within the monthly report of the mine.

In 2011, the Company will be acquiring a number of measuring equipment for in-house monitoring after due training of the environmental team.

Environmental Incidents

.... No Significant Environmental Incidents in 2010

There were no significant environmental incidents in 2010. A procedure is in place for the investigation and reporting of incidents. Incidents are investigated and root causes are identified. Preventive or corrective actions are recommended and implemented. The results of the incident investigation and lessons learnt are communicated through the heads of departments to all employees to avoid reoccurrence.

Resource Management

...... Efficient and Safe Use of Resources

Material Use

The main material used in the mine is the gold bearing rock. In 2010, 6,188,515 tonnes of ore were processed in the process plant and 1,951,582 tonnes were dumped on the leach pads. A summary of the main materials used in Sukari is shown below:

- Gold bearing ore mined;
- waste rock mined;
- Tailings stored;
- Diesel fuel;
- Lubricants and oils;
- Sodium cyanide;
- Explosives; and
- Lime.

Several initiatives are underway to maximize material efficiency. All chemical solutions used in the process plant are recycled and reused after adequate make-up and regeneration. A project was implemented to increase the rate of water decanted from the TSF. Currently, water from the TSF is pumped first to the dump leach pads, after chemicals make-up. The water is then reused in the process plant to make use of the chemicals in it.

Safe Handling of Hazardous Chemicals

All hazardous chemicals fall under a Hazardous Chemical Management Procedure that specifies safe and sound conditions for the transportation, storage and handling of chemicals to minimize harm to the environment or employees health. Risk assessment are undertaken for chemicals used and the identified hazards are controlled through engineering controls (containment, automatic alarm, shut-off systems) or through operating procedures. Preventive maintenance programs for tanks and equipment are in place.

A robust program for hazard communication is in place through awareness, training and meetings. Emergency response plans address potential chemical hazards.

Waste Management

.... Understanding the Value of Waste

A waste management scheme has been developed at Sukari and is focused on:

- Waste minimization through maintaining an average stock for chemicals to avoid the cases of expired chemicals;
- Maximizing on-site recycling and reuse of different types of wastes;
- Recovery of valuable material;
- Reuse of treated wastewater streams; and
- Off-site recycling and treatment of waste.

Waste management scheme on-site includes collection of waste from generation source, temporary storage until removal off-site, operations that should be done before waste disposal as well as the final disposal/destination off-site as well as documentation and reporting of waste quantities and method of disposal. Waste streams are segregated at their generation points and in temporary storage locations. The following are examples of adopted waste management approaches:

- Waste oil is collected and stored in a special tank in the fuel farm. Some of the waste oil is used in the powerhouse and the remaining material is collected by a licensed contractor for recycling. Waste oil is also recovered from oily filters through a crusher;
- Food waste are collected off-site by a contractor and are given to neighbouring Bedouins to use as animal fodder;
- Valuable solid waste, such as metal scrap, rubber, machines, used batteries, is collected and stored in a transfer station “Scrap Yard” in preparation for their off-site disposal according to set regulations. Procedures have been set for the management of the scrap area to ensure waste is completely drained before being stored in the area. The scrap yard also provides a source of reused material for different mine areas;
- Empty containers of chemicals and hazardous material are collected, punctured and temporary stored until their off-site removal;
- An incinerator has been installed for disposal of oily sludge and solid material if required;
- Wastes related to explosives including boxes and bags of accessories and material are disposed of under the supervision of the authorities;
- Medical wastes are stored in special containers and periodically sent to hospitals incinerators;
- Spent chemical solutions are recycled in the process plant after due make-up and regeneration; and
- Remains from the fire assays are mixed with the crusher feed.

Water Management

..... Efficient Use of Water

Sources and Usage of Water

Water is a critical component to our processes and thus it was essential to secure a sustainable source of water for our operations. Sukari Gold Mine is located in Egypt’s Eastern Desert, in an area with no fresh water resources. A sea water intake and pipeline from the Red Sea has been constructed to provide a sustainable water supply to the mine. This pipeline was required to transfer the saline water from the coast to the Sukari mine site a distance of approximately 25 km with a design capacity of 1400 m^3/hr to account for future expansion. Beach boreholes were drilled to provide a secondary source of saline water, where seawater freely infiltrates into the groundwater, using submersible pumps.

Currently, the water needed is 700 m^3/hr; 50 m^3/hr of which is pumped to a desalination (Reverse Osmosis) plant for potable and fresh water supplies while the rest is pumped into a raw water pond located near the processing plant. In 2010, the amount of water pumped through the system was 1,932,804 m^3.

Protection of Groundwater

No groundwater is used in Sukari operations. Measures for groundwater protection have been incorporated in the design of the tailing storage facility where a layer of gypsum and a HPDE liner is used to prevent seepage. Five monitoring bores were established downstream from the tailing storage facility to detect any potential contamination. Monitoring of these bores has started in the fourth quarter of the year and no cyanide was detected in the samples.

Reuse and Recycling of Water

Due to the limited resources of water, we adopt a water efficiency strategy in Sukari.

- Water is recycled from the tailing storage facility through the decantation of water and through abstraction from the open pit;
- Domestic wastewater is collected and treated in a tertiary wastewater treatment plant. The treated effluent is used in landscaping in and around the camp area; and
- The brine resulting from the desalination process is recycled in the raw water pond.

Energy Consumption and Emissions

.... Towards Maximizing Energy Efficiency

Sukari mine is located in a remote area that is not connected to the national electricity grid. Accordingly, the project self-generates its power through a 35.5 MW power station.

The power station uses diesel as a fuel. Diesel is also used for vehicles and equipment. Sukari consumed a total of 57,655,405 litres of diesel in 2010; 65% of which was used in power generation and the rest is used in operating mobile equipment and vehicles. This rate of consumption is expected to increase in the following years due to the construction activities and the expansion in processing capacity.

Currently, there is a strict monitoring of diesel consumption for different users to indicate opportunities for conservation.

In 2011, Sukari will initiate the program for monitoring air emissions and quantification of emissions especially greenhouse gases (GHGs). Opportunities and actions for energy efficiency will be explored.

Preservation of Cultural Heritage

..... Respecting Local Heritage

Egypt is well known for the presence of archaeological ruins from different historical eras. The Eastern Desert, in which Sukari mine is located, includes different archaeological ruins areas that vary in significance and historical importance. Most of the ruins date back to Ptolemaic and Roman times and some sites bear Hieroglyphic inscriptions dating from the 23rd century BC. The desert has long witnessed quarrying and mining activities since the ancient Egyptians and thus most of the mining areas are thought to include ruins of mining workers houses as well as some equipment used in mining.

In that respect, Centamin has undertaken an archaeological survey in the area within activities of its ESIA in 2006.

The Egyptian Supreme Council of Antiquities (SCA) inspected the area and determined that the ruins on the site were similar to numerous other examples to be found in several other localities in Egypt. In the SCA's view, they were therefore of no particular historical significance other than indicating that mining activities were undertaken in the area and that mining workers occupied the area in which they are found. Only an area of 150m2 was excluded from the work area. Centamin has fenced the area.

Company procedures also address the case of Chance Finding of ruins and steps to be followed so as not to disturb it.

Land Management, Rehabilitation and Closure

.... Early Planning for Mine Closure

Sukari concession area accounts for 160km^2; about 18.692km^2 have been disturbed.

The mining sector is closely related to natural resources and thus is required to prepare and implement a restoration and rehabilitation plan. The plan aims to phase out the mining activities and close the mine in an environmentally sound manner.

Sukari mine has prepared a draft restoration and rehabilitation plan that is updated every year. The draft rehabilitation Plan provides a conceptual framework for closure design. The rehabilitation plan will be developed and refined in different project phases to reflect changes in mine development and operation as well as environmental and social conditions and requirements. A final version of the plan will be reached as closure approaches and after due consultation with stakeholders. During operation, the plan will be revisited annually to include the corresponding costs within the annual budget.

The restoration and rehabilitation plan has the following objectives:

- Meet regulatory and permitting requirements for final closure of the Project.
- Achieve post-closure site conditions that are both physically and chemically stable.

- Protect the public in areas affected by project activities or installations, by reducing hazards to levels equal to or below those naturally existing within the surrounding environment.
- Remove project infrastructure and rehabilitate affected areas so that they are able to be used for selected land uses.

The main activities to be carried out during closure will range from dismantling of infrastructure of equipment, winning, hauling, dumping, spreading of waste rock, ripping off compacted surfaces and grading area to blend with the surroundings. The nature of the Sukari area has its influence on the closure activities. The area has an extreme arid climate and no topsoil, accordingly, no attempt will be made to vegetate the surface. The main aim then will be to establish a stable landform, with minimal erosion and minimal potential for dust generation.

A provision for restoration and rehabilitation is included in the annual budget. The estimated future obligations include the costs of dismantling and removal of facilities, restoration and monitoring of the affected areas. The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each reporting date.

HEALTH AND SAFETY PERFORMANCE

Main Goal

Centamin is committed to minimizing health and safety risks to the reasonable practical level, while striving for an injury-free workplace. In that respect, we adopt a systematic approach to managing occupational health and safety issues to achieve its compliance with local legislations, licences and permits conditions, company policies as well as international best practices.

Management Scheme Adopted

.... Setting the Stage for Effective OH&S Management

Organizational Responsibility

The responsibility for overseeing the health and safety performance of the Company lies with the HSE Department. The team is responsible for the follow-up on the implementation of occupational health and safety procedures and instructions at the site, management of monitoring and inspection activities, investigating safety incidents or foreseen issues as well as coordinating actions geared towards minimizing safety risks and promoting awareness.

A safety committee has been established in 2010 where each department nominates one or more employees as members. Representatives coordinate safety related issues within their workplace, observe and detect unsafe acts, identify hazards in their workplace as well as undertake monthly safety inspections. They are also members of the emergency response team. Safety representatives have received training to enable them to undertake their responsibilities effectively. The committee convenes on monthly basis and aims to promote the involvement of employees in monitoring occupational health and safety performance.

Each employee and contractor in Sukari mine site has an obligation to abide by and fully implement the Company occupational health and safety policy, standards, procedures and instructions.

System Elements

The management system currently being developed at Sukari follows the OHSAS 18001 standard. Several elements of the system are currently being implemented however its final configuration is still to be set. The system is based on setting annual occupational health and safety plans, development of documented procedures and standards, awareness and training of employees and monitoring of performance to achieve further improvement. The system is supported by a robust documentation system that ensures the maintenance of required registers, documents and renewal of required permits.

In 2011, the environmental management system will be fully developed with all needed procedures and instructions in place.

Creating a Safety Conscious Culture

Employees are made aware of the safety requirements and procedures through several channels. A comprehensive safety induction system is in place for new employees, contractors and visitors. The content and level of induction varies according to the time the person will spend on-site as well as the activities he will undertake.

A training plan is set and safety-specific training is rolled to employees. In 2010, training modules addressed Job Hazard Analysis, first aid, fire extinguishing, hazard identification and risk assessment, incident investigation, work permits, driving policy as well as lifting procedures.

Safety alerts are periodically issued and sent to all employees. Safety issues are discussed in pre-start meetings, HSE meetings, as well as in toolbox talks. A new safety topic is circulated every week for discussion in toolbox meetings.

Follow-up and Monitoring

Sukari monitoring plan addresses different facets of the occupational health and safety aspects such as:

- Workplace environment
- Stability of structures
- Occupational health parameters
- Fitness to work
- Implementation of safety procedures and standards

Monitoring methodology includes measurements, medical surveillance, auditing, visual inspection, as well as systematic observation of the work and behaviour of staff. Measurements are performed through external entities laboratories. In 2011, the company will be acquiring a number of measuring equipment for in-house monitoring.

Reactive monitoring is also undertaken to provide information on incidents that have occurred and provide insights into means of preventing similar incidents in the future.

The monitoring results are analysed to detect the need for corrective or preventive actions. The monitoring results are reported to top management within the monthly report of the mine.

Safety Performance Indicators

..... All Incidents are Recorded and Investigated

A comprehensive Incident Investigation and Reporting System has been developed. The system analyse the root causes for an incident and is used to initiate adequate controls to minimize or eliminate the cause of the incident. Using a 5-tier system, different levels of investigations and reporting are implemented as per the severity of the incident. An incident database is maintained to document the incident investigation and actions agreed. The database initiates reminders to responsible personnel to close the actions needed. Incident investigation results are discussed in safety meetings. Training was provided to employees regarding the implementation of the system. Near-misses and unsafe acts are also reported and recorded.

Our safety statistics for 2010 are shown in the following.

	Frequency Rates for 2010 (based on 200,000 working hours over 12 months)
Fatality (FA)	0
Lost Time Injury (LTI	0.47*
Medical Treatment Injury (MTI)	2.87
First Aid (FA)	6.82
Percentage of LTI Free Hours	87%

* Comparator Peer Group is the Western Australian Surface Gold Mines which for 2008-9 achieved an LTIFR of 0.40.

Proactive Approach to Safety

..... Unveiling Potential Risks

We believe that the identification and understanding of the safety risks associated with the work enables us to control these risks and prevent their occurrence. We are working to incorporate risk assessment procedures into all our operations. New jobs and maintenance operations are preceded by a Job Hazard Analysis (JHA) of the activity to fully eliminate and control risks and hazards. A Work Permit System has been developed for risky operations and specific permits and procedures have been prepared for operations under the system including confined space, hot work and lifting operations.

Traffic Safety

...... Driving Safety is Our Priority

At Sukari mine, we have a total of 141 diesel-operated fleet of light and heavy vehicles, including those of on-site contractors. This number will increase in 2011 due to expansion in operations and construction activities planned to start. Traffic safety is an essential element of our safety management system at Sukari mine. A permit system is adopted for site driving with more stringent requirements for in-pit driving. The system involves training as well as practical tests. Permits are renewed annually after due testing. Detailed procedures have been developed for driving light and heavy vehicles. Different areas of site have set speed limits and are equipped with traffic signage showing instructions to follow. Vehicle pre-start checking is a fixed practice each shift.

	Numbers of On-site Vehicles in 2010
Loaders	4
Dump Trucks (capacity150 and 50tons)	19
Water Dump Truck (capacity 150 tons)	1
Excavators	7
Dozers	4
Graders	5
Trucks	8
Rock Breakers	4
Compactors	2
Rigs	18
MMUs	3
Service Trucks	3
Cranes	2
Mobile Batch Plant	1
Booger	1
Jumbo	1
Light Vehicles	68

All vehicles are equipped with specialized safety features, flashlights and whip aerials and flags for improved visibility. Road maintenance, grading and sheeting are routinely carried out to maintain a consistent gradient and smooth surface. Inspection is periodically undertaken to make sure procedures and standards are adhered to.

Vehicles that transport visitors or employees offsite are only allowed in certain areas of the site and drivers are inducted to adhere to set speed limits and driving standards. Supply trucks are escorted to their destination.

Health Performance

.... Keeping Our Employees Healthy and Fit

Controlling Exposure to Occupational Health Hazards

Increased emphasis was made on the protection of employees from exposure to chemicals, dust, noise and other elements that might cause health problems. Area-specific instructions for specific personal protective equipment required are set and adhered to. Awareness and training programs are implemented to discuss potential occupational health hazards and measures to implement. Medical surveillance programs are in place, including blood lead analysis for laboratory personnel involved in fire assays.

Zero Tolerance to Alcohol and Drugs Abuse

Employees are expected to report for work and remain at work in a condition to perform their assigned duties free from the use, presence, or effects of drugs and alcohol. Centamin has a zero tolerance policy for alcohol and drugs. Drug and alcohol tests are undertaken randomly or when needed and disciplinary actions are taken accordingly. In 2010, employees were regularly tested for alcohol and drugs. A total number of 2,077 alcohol tests were undertaken, with no positive results, while only 25 positive results out of 935 drug tests were detected.

Management of Fatigue

We believe that fatigue causes an increased risk of incidents because of tiredness and lack of alertness. Accordingly, fatigue management procedures and standards were issued during the year providing guidance and actions especially regarding work scheduling and planning. Awareness programs were implemented addressing control of fatigue related to off-work conditions. There was a special focus on addressing fatigue challenges during Ramadan through balanced diets, adjustment of work schedules as well as providing guidance to sound health practices.

Maintaining a High Level of Hygiene and Food Safety

Sukari mine has a large mess within its camp, providing meals to about 1,000 employees and contractors. A great focus is on hygiene and food safety management. Employees from the mess, housekeeping, stores and clinic have been trained in hygiene, food safety and sound HACCP practices. Hygiene and food safety issues are regularly inspected and followed-up.

Pest control campaigns are regularly implemented for the camp and other areas.

Providing Health Services

Sukari site has a well equipped clinic providing health and emergency related services on 24/7 basis. The clinic operates according to developed medical protectors and procedures. An equipped ambulance is continuously on call to transfer any cases that need higher medical treatment to the Marsa Alam hospital, about 40km away from Sukari site.

Emergency Response Planning
...... Staying Alert and Ready

It is imperative to be capable of immediately responding to any accident. Sukari mine has an emergency response team formed of the HSE department and safety representatives from all departments. A detailed emergency plan has been developed with full emergency response procedures. An emergency team has been formed and inducted. Emergency abatement and rescue equipment has been acquired and external resources and facilities have been indicated. Daily inspection is undertaken for emergency equipment and the ambulance to make sure they are in good condition. A fire engine will arrive shortly at site. The fire abatement system is periodically tested and maintained. An emergency station will be constructed.

The emergency team is currently being trained in the detailed emergency response procedures. Employees are being training in first aid and using fire extinguishers.

Contractor Management
...... Protecting our Partners

Operations at Sukari Gold mine necessitate the involvement of contractors whether for long periods of time or for short assignments. The contractors' personnel reached 576 in 2010. We are committed to protect the safety of our employees and of contractors on-site.

All contractors operating on-site are required to adhere to the implemented safety management system. We provide information sharing and support to ensure their full compliance. Upon arrival at site, contractor employees are given a safety induction to introduce them to site requirements and standards. They are given full access to health services are site.

Periodic inspection and follow-up is carried out to ensure full implementation of safety requirements.

SOCIAL PERFORMANCE

Stakeholder Engagement Scheme
….Continual Communication and Information Disclosure

As a mining company, Centamin is entitled to 30 years of operation for its Sukari gold mine, with a potential extension for another 30 years. With such a long tenor which is supported by a strong and long mine life the company has taken a long term view in matters dealing with and engaging with the local community we live in.

As the first mining company in Egypt in modern times, we strive to set an example of a socially responsible industry through adopting a good neighbour policy. We take all actions to ensure minimum impact on the social environment as well as deliver positive benefits to the community as a result of our investment.

Sukari Gold Mine is located about 30km from the nearest community which resides in the coastal town of Marsa Alam that relies primarily on tourism. A local Bedouin family also resides approximately 10km north-west from the project. As such, the Company does not have any resettlement relocation or compensation requirements as a result of the development of the mine.

Prior to the commencement of development activities, stakeholder involvement was initiated as part of the process of the company's environmental and social impact assessment. We have identified our stakeholders as the following groups:

- The Egyptian government represented by the Ministry of Petroleum and Egyptian Mineral Resources Agency;
- Marsa Alam community;
- Bedouin family near the project;
- Local public councils;
- Local concerned authorities and governance; and
- National concerned entities.

We have maintained open channels of communication with all our stakeholders for the purpose of information disclosure, raising concerns and grievances as well as public consultation. Such channels differ according to the stakeholder and its nature:

- Centamin website provides information for the general public, through announcements, annual, biannual and quarterly reports, as well as presentations;
- An Annual General Meeting is held to disclose information to shareholders and secure their approval for set actions as appropriate;
- Individual meetings, group discussions and public meetings are used for the communication with local community and concerned entities;
- Monthly reports are submitted to the Ministry of Petroleum and Egyptian Mineral Resources Agency;
- Personal communication is used for raising grievances and concerns;
- Information is available through newspaper articles and Ministry of Petroleum media centre;
- A documentary film was produced to introduce the public to the activities within the mine; and
- Several television programs were invited to film footage of an operating gold mine.

The Chairman, CEO and other Directors, communicate with major shareholders on a regular basis in the way of face to face contact, telephone conversations, and analyst and broker briefings, to help better understand the views of the shareholders. Any material feedback is then discussed at Board level.

Continuous communication was maintained with all stakeholders before and during construction activities of different project components.

In 2010, no material concerns were raised concerning our operations. There were several requests from the local authorities to maximize the mine recruitment from the Marsa Alam area and this was incorporated within our human resources procedures, according to the skills and qualifications available.

Local Community Development
...... Strengthening our Community

Centamin recognizes that it has a responsibility in supporting and enhancing the community in which it operates as a good corporate citizen. Marsa Alam is a relatively small community that has grown rapidly with the development of both the Sukari project and tourism related businesses in the area. Enhancing the community and its livelihood will also reflect positively on our long-term interaction with the community. From the commencement of our investment activities in 1995 the company has recognized the importance of contributing to the development of the community and provide it with an enhanced level of services and infrastructure.

More recently, in 2007, and within our environmental and social impact assessment process, we carried out a survey to identify needs for the continued development of Marsa Alam and we initiated an active dialogue with the concerned entities as well as the community. We have identified a number of initiatives to achieve sustainable development, enhanced infrastructure as well as support education efforts.
We understand that community needs could not be addressed by one investor/project only but through the collaborative efforts of different investors. The Marsa Alam area includes numerous tourism investments and will in the future house mining

investments as well. In that respect, Sukari Gold Mine joined the Marsa Alam Investors Association. Through our active participation in this association, Centamin was able to closely interact with local authorities and discuss local plans. As those engagements mature, we believe that it will define possible support projects, the resources needed for implementation, the potential sources of these resources, all with strong stakeholder support, and provide a plan for acquiring the necessary resources and the role that the government, the community and Sukari will play to develop the actions needed. This will lead to establishing clearly defined project objectives, specific participant responsibilities, implementation schedules, performance criteria, and monitoring protocols. This approach will maximize the benefit of the resources that the community, the government, and Sukari can contribute to the community development program. Moreover, it ensures that the Community Development Program is aligned with existing policy initiatives (e.g., local plans) and that it builds on existing local community and government capacity and resources.

Our contribution to the community within 2010 covered a variety of activities and focuses.

Celebrating Local Community and Cultural Events

The Company sponsored local events and celebrations including *Orphan Day* where a gathering was organized on the shores of the Red Sea to celebrate the children of the Marsa Alam orphanage. The event was attended by representatives from the local authorities and company employees.

The Company also celebrated and supported the holy month of Ramadan, where Muslims fast during the day, with more than 50 daily evening meals prepared for the needy in Marsa Alam. Support was also provided for the celebration of religious feasts and events.

Our employees also took paid time off work to participate in community events specifically cleaning campaigns as part of the celebrations of the *Environment Day*.

Enhancing Health and Livelihood Conditions

As part of the Company's on-going commitment to improving the health and living standard of our local community, an important contribution was made as part of mitigating the effects of H1N1 crisis. Schools in the area were provided with disinfectants and cleaning equipment. Vaccinations were made available for all students.

The Company also funded the purchase of a Dialysis unit in the Marsa Alam hospital.

As part of its relationship with the Bedouin family near the mine and in support of their lifestyle the Company provides minimal disturbance whilst remotely monitoring their movements to ensure our activities do not affect them as well as providing basic lifestyle support in the provision of potable water and food waste (the latter used for animal fodder).

The Company's Emergency Response team works in close cooperation with the regional emergency authorities to provide coordinated responses and support to public road and traffic accidents where requested.

Supporting Infrastructure Initiatives

In 2010, our focus was in supporting infrastructural projects.

- Electricity connections were provided to a Bedouin remote gathering of 200 persons. The settlement was connected to the power line that transfers electricity from Sukari power plant to the water intake at the beach;
- Through the city council, buses were made available to connect the hotels in the tourist areas within Marsa Alam;
- A burial vehicle was purchased and provided to the responsible community development association for community use;
- A number of Mosques in Marsa Alam has been furnished by the Company;
- Marsa Alam's main square was decorated with two status and the street leading the Edfu-Marsa Alam road was lighted and decorated; and
- Several donations were provided to the community support association to complete one of its public buildings.

Enhancing Education

- Sukari mine provides practical training for university students from Science and Engineering faculties during the summer vacation period. In 2010, a total of 72 students attended a 2-week training course in which they were involved in several activities including exploration, mining and the laboratory skills acquisition.
- In order to empower the community and develop needed skills, we have financed and furnished a class of "Mubarak-Kol Institute for Occupational Education" that will serve the Red Sea students.
- Discussions and arrangements with Marsa Alam city council are currently being made for establishing the first mining academy in the Middle East.

Promotion of Sports

Centamin has played a pivotal role in the promotion and development of Rugby Union in Egypt. This started in 2004, when a Rugby team was formed, mainly of expats, in Alexandria. The company developed a website for the team and promoted awareness of the game in universities and youth centres as well as the establishment of a clubhouse and grounds. Several Egyptian players were coached by professional coaches and attended several training camps. Today, the Alexandria Rugby team is wholly Egyptian and have participated in several regional and international tournaments with some significant successes.

The Company's efforts were instrumental in the formation of the first Egyptian Rugby Football Union in 2008 and in 2010 Egypt hosted its first International Rugby Board (IRB) sanctioned tournament which the company proudly co-sponsored with the IRB.

Internal Human Resources
.... Attracting and Retaining the Right Calibre

Developing our Employees

We believe that our people are the most valuable resources of the Company. Our recruiting procedures and standards are geared towards the assessment of candidates and selection of those who will have the required competence and qualifications, have potential for growth and development and could smoothly integrate within a large workforce working in a remote area.

Hiring decisions are taken by the department managers as per the identified needs within the department. Job descriptions and qualifications lists are prepared to be used in the process. The candidates' profiles and CVs are first screened by the Human Resources department to form a short-list fulfilling with the required qualifications. A second series of interviews are undertaken at the mine site involving both the Human Resources department as well as the technical department. The candidates are given a tour of the mine activities and undergo theoretical and practical tests as per the position requirements. The site visits are important to ensure alignment with expectations. Selected candidates are then contacted by Human Resources to discuss financial terms as well as required documentation and medical examinations. The performance of new employees is assessed within 3 months to ensure their compatibility and competence.

In 2010, permanent employees reached 926; these include employees in Alexandria office as well as those working at Sukari mine site.

	Number of Employees	% Egyptians	% Women*
Top management	2	50	
Senior Management	6	33	
Middle Management	5	80	
Superintendent	34	12	
Senior Staff	26	73	
Staff	303	96	
Skilled Labour and Technicians	542	100	
Expansion Project	11	56	
Total	926	89	1.1

** It should be noted that social conditions in Egypt and in the Middle East in general do not encourage the work of female employees in remote sites. However, a number of females are employed in the main Company offices.*

Our Human Resources Standards

Our Human Resources policy provides the framework within which we operate. It delineates the rights and obligations for employees. The policy outlines employee rights, obligations and benefits.

According to the policy:

- Child labour is prohibited whether in our permanent employment or in contractors work-force. Contractors are required as per their agreements to abide by these requirements. Continuous follow-up and checks ensures that conditions are well adhered to.
- Discrimination based on religion, nationality or political views is prohibited. All employees have the same rights and obligations.
- Any practices of forced labour is not allowed in any work related to our activities.

Several efforts were made in 2010 to enhance the human resources system of the Company. The human resources policy has been reviewed with the objective of building on the benefits for employees. Such benefits include allowances as well as health insurance services.

In order to ensure that our salaries are aligned to the market, we adopted the HAY salary administration system in 2010. This is a job performance evaluation method that provides a clear mechanism to set market-compatible compensations for different posts according to job description and competences needed. The system was used to review the salary structure of current workforce given required competences as well as performance appraisal results.

Performance Appraisal and Promotion

Annual performance appraisals are undertaken for all employees. The assessment is undertaken against several criteria including the employee's job knowledge and skills, quality of work, ability for judgement, for being independent, flexible and initiative. The review is undertaken by the immediate supervisor and agreed with the section head. Based on the feedback from the appraisal process, enhancement and development actions will be set such as need for training, modified responsibilities or raised roles and responsibilities.

In 2010, we started to refine the appraisal system where it will be undertaken by a committee rather than an individual, which will ensure higher level of subjectivity and credibility.

Listening to our People

Employees have the freedom to express their concerns and discuss them with top management as appropriate. There is an internal grievance system for employees to raise reasonable workplace concerns addressing work arrangements, camp related issues or personal attitudes and relations. The system is a 3-tier system where employees raise their concerns in an ascending order to their supervisors, then to the Head of Departments and then to the General Manager, until the grievance is resolved. The Human Resources Department is involved in all tiers of analysis and investigations. No labour-related court cases have been raised in 2010.

Employee Development and Training
.... Investing in Our People

Employees' development and training is a continuous program at Sukari mine. The program aims to enhance employees' skills, knowledge as well as introducing effective tools and procedures. Internally, each department has set different training modules to its employees, other departments, such as HSE, have cross-cutting training modules in relation to HSE standards and procedures. The training involves theoretical, hand-on and on-the job techniques. The Company also allows the opportunity for senior employees to attend mining conferences and exhibits in several countries including South Africa, Australia and Dubai.

External training has also been arranged either on-site or abroad. Special training programs for databases, softwares and surveys are designed such they include distant follow-up and support.

In 2010, several departments have finalized their "Career Development" matrix that identified qualifications and training needed for each post. The implementation of this matrix together with the performance appraisal will be the basis for promotion and development for employees. A competency based training program will be formulated setting the site training structure, the qualifications and competencies required for each level within the structure, as well as the plan and methodology for achieving the required standards.

Post-work Life at Sukari

.........Caring about Our People

The Company has put a program in place by which married employees could relocate with their families to Marsa Alam city. The program has attracted a number of employees in 2010 and is expected to be widely implemented in the coming years.

Although still a small city, the 30-min drive to Marsa Alam city is refreshing after a work day. The mine provides transportation each day for interested employees.

Sukari mine provides several facilities and arrangements for employees to enjoy their time after work.

- The camp is equipped with satellite television and internet connections;
- Barbeque dinners are frequently arranged either in special areas within the mine or at the beach;
- A library is available for leisure reading; and
- Several sports activities are organized.

Sukari mine camp is equipped with facilities, arrangements and activities with a focus on fitness and sports.

- A mini sports field has been established in the camp area. Rugby and soccer games are organized with tournaments arranged. Internal soccer tournaments are played at Sukari yearly over a 6 week period, with up to 20 teams involved. Trophies and prizes are award to participants;
- External soccer games are played with the participation of external teams from local authorities and community;
- Touch Rugby games are played by both Egyptian and expatriates. Rugby awareness has been raised at Sukari through PGM's involvement with Alexandria Rugby Club formed in 2003, as some employees play for the club;
- Hash House Harriers are arranged. These are organized walks/runs in the desert hills along a delineated track that is set weekly by employees. The sport event is followed by social barbeque. Both Egyptian and expatriates are involved in the organization and participation; and
- A well equipped gymnasium is established to provide means for in-doors sports.

Deloitte.

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Independent Auditor's Report to the Directors of Centamin Egypt Limited

Report on the Financial Report

We have audited the accompanying financial report of Centamin Egypt Limited, which comprises the statement of financial position as at 31 December 2010, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the six month period ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the period's end or from time to time during the six month period as set out on pages 66 to 104.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 3, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the entity's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Deloitte.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Centamin Egypt Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Centamin Egypt Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the company's and consolidated entity's financial position as at 31 December 2010 and of their performance for the six month period ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 3.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 26 of the directors' report for the six month period ended 31 December 2010. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Centamin Egypt Limited for the six month period ended 31 December 2010, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Ross Jerrard
Partner
Chartered Accountants
Perth, 28 February 2011

DIRECTORS' DECLARATION

The Directors declare that:

a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Company and the consolidated entity;

c) In the Directors' opinion, the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in Note 3; and

d) the Directors' have been given the declarations required by s.295A of the Corporations Act 2001.

At the date of this declaration, the Company is within the class of companies affected by ASIC Class Order 98/1418. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee. In the directors' opinion, there are reasonable grounds to believe that the Company and the companies to which the ASIC Class Order applies, as detailed in Note 21 to the financial statements will, as a group, be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

Signed in accordance with a resolution of the Directors made pursuant to s. 295(5) of the Corporations Act 2001.

On behalf of the Directors

Harry Michael
Chief Executive Officer

Perth, 28 February 2011

STATEMENT OF COMPREHENSIVE INCOME
for the period ended 31 December 2010

		Consolidated		Company	
		31 December 2010 6 months $US'000	**30 June 2010 12 months $US'000**	**31 December 2010 6 months $US'000**	**30 June 2010 12 months $US'000**
Revenue	5	87,203	37,710	290	544
Cost of Sales	6	(29,349)	(3,547)	-	-
		57,854	34,163	290	544
Other revenue	5	39	888	-	-
Production royalty	6	(2,604)	(2,205)	-	-
Foreign exchange gain	6	1,593	3,614	1,801	4,523
Administrative expenses	6	(3,674)	(5,813)	(2,549)	(4,735)
Depreciation and amortisation expense	6	(21,152)	(11,897)	(3)	(11)
Share based payments	6	(14)	(1,722)	(14)	(1,722)
Profit / (Loss) before tax		**32,042**	**17,028**	**(475)**	**(1,401)**
Income tax expense	7	-	(4,158)	-	(3,959)
Net Profit / (Loss) for the financial period		**32,042**	**12,870**	**(475)**	**(5,360)**
Other Comprehensive Income					
Other Comprehensive Income (net of tax)		-	-	-	-
Other Comprehensive Income for the period		-	-	-	-
Total Comprehensive Income		**32,042**	**12,870**	**(475)**	**(5,360)**
Earnings Per Share:					
Basic (cents per share)	25	3.10	1.26		
Diluted (cents per share)	25	3.09	1.26		

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes on pages 72 to 104

STATEMENT OF FINANCIAL POSITION
As at 31 December 2010

	Note	Consolidated		Company	
		31 December 2010 $US'000	30 June 2010 $US'000	31 December 2010 $US'000	30 June 2010 $US'000
CURRENT ASSETS					
Cash and cash equivalents	25(a)	154,338	31,326	147,342	14,883
Trade and other receivables	9	128	3,316	125	5
Inventories	10	38,017	21,861	-	-
Other assets	11	460	268	23	-
Total current assets		192,943	56,771	147,490	14,888
NON-CURRENT ASSETS					
Trade and other receivables	9	-	-	425,316	423,759
Property, plant and equipment	12	279,995	283,072	11	11
Other financial assets	13	-	-	4,502	4,502
Exploration, evaluation and development	14	167,894	138,525	302	302
Total non-current assets		447,889	421,597	430,131	428,574
Total assets		640,832	478,368	577,621	443,462
CURRENT LIABILITIES					
Trade and other payables	15	18,002	22,204	417	312
Current tax liabilities	7	444	444	489	489
Provisions	16	666	556	161	144
Total current liabilities		19,112	23,204	1,067	945
NON-CURRENT LIABILITIES					
Provisions	16	2,624	2,622	-	-
Total non-current liabilities		2,624	2,622	-	-
Total liabilities		21,736	25,826	1,067	945
Net assets		**619,096**	**452,542**	**576,554**	**442,517**
EQUITY					
Issued capital	17	600,500	465,096	600,500	465,096
Reserves	18	3,345	4,237	3,835	4,727
Accumulated Profits / (Losses)		15,251	(16,791)	(27,781)	(27,306)
Total equity		**619,096**	**452,542**	**576,554**	**442,517**

The above Statement of Financial Position should be read in conjunction with the notes on pages 72 to 104

STATEMENT OF CHANGES IN EQUITY
for the period ended 31 December 2010

	Consolidated – 6 months ended 31 December 2010				
	Fully Paid Ordinary Shares $US'000	Other Reserves $US'000	Share Options Reserve $US'000	Accumulated Losses $US'000	Total $US'000
Balance as at 30 June 2010	465,096	2,295	1,942	(16,791)	**452,542**
Profit for the year	-	-	-	32,042	**32,042**
Total Comprehensive income for the period	-	-	-	32,042	**32,042**
Recognition of share based payments	-	-	14	-	**14**
Transfer from share options reserve	906	-	(906)	-	**-**
Issues of shares under ESOP*	2,382	-	-	-	**2,382**
Issues of shares	136,549	-	-	-	**136,549**
Share issue costs	(4,433)	-	-	-	**(4,433)**
Tax effect of current period share issue costs	-	-	-	-	**-**
Balance as at 31 December 2010	600,500	2,295	1,050	15,251	**619,096**

	Consolidated – 12 months ended 30 June 2010				
	Fully Paid Ordinary Shares $US'000	Other Reserves $US'000	Share Options Reserve $US'000	Accumulated Losses $US'000	Total $US'000
Balance as at 30 June 2009	416,886	2,295	6,662	(29,661)	**396,182**
Profit for the year	-	-	-	12,870	**12,870**
Total Comprehensive income for the period	-	-	-	12,870	**12,870**
Recognition of share based payments	-	-	1,722	-	**1,722**
Transfer from share options reserve	6,442	-	(6,442)	-	**-**
Issues of shares under ESOP*	16,262	-	-	-	**16,262**
Issues of shares	27,023	-	-	-	**27,023**
Share issue costs	(1,572)	-	-	-	**(1,572)**
Tax effect of current period share issue costs	55	-	-	-	**55**
Balance as at 30 June 2010	465,096	2,295	1,942	(16,791)	**452,542**

** Employee share option plan*

The above Statement of Changes in Equity should be read in conjunction with the notes on pages 72 to 104

STATEMENT OF CHANGES IN EQUITY
for the period ended 31 December 2010 (cont')

	Company – 6 months ended 31 December 2010				
	Fully Paid Ordinary Shares $US'000	Other Reserves $US'000	Share Options Reserve $US'000	Accumulated Losses $US'000	Total $US'000
Balance as at 30 June 2010	465,096	2,785	1,942	(27,306)	**442,517**
Loss for the year	-	-	-	(475)	**(475)**
Total Comprehensive income for the period	-	-	-	(475)	**(475)**
Recognition of share based payments	-	-	14	-	**14**
Transfer from share options reserve	906	-	(906)	-	**-**
Issues of shares under ESOP*	2,382	-	-	-	**2,382**
Issues of shares	136,549	-	-	-	**136,549**
Share issue costs	(4,433)	-	-	-	**(4,433)**
Tax effect of current period share issue costs	-	-	-	-	**-**
Balance as at 31 December 2010	600,500	2,785	1,050	(27,781)	**576,554**

	Company – 12 months ended 30 June 2010				
	Fully Paid Ordinary Shares $US'000	Other Reserves $US'000	Share Options Reserve $US'000	Accumulated Losses $US'000	Total $US'000
Balance as at 30 June 2009	416,886	2,785	6,662	(21,946)	**404,387**
Loss for the year	-	-	-	(5,360)	**(5,360)**
Total Comprehensive income for the period	-	-	-	(5,360)	**(5,360)**
Recognition of share based payments	-	-	1,722	-	**1,722**
Transfer from share options reserve	6,442	-	(6,442)	-	**-**
Issues of shares under ESOP*	16,262	-	-	-	**16,262**
Issues of shares	27,023	-	-	-	**27,023**
Share issue costs	(1,572)	-	-	-	**(1,572)**
Tax effect of current period share issue costs	55	-	-	-	**55**
Balance as at 30 June 2010	465,096	2,785	1,942	(27,306)	**442,517**

** Employee share option plan*

The above Statement of Changes in Equity should be read in conjunction with the notes on pages 72 to 104

STATEMENT OF CASH FLOWS
for the period ended 31 December 2010

	Note	Consolidated 31 December 2010 6 months $US'000	Consolidated 30 June 2010 12 months $US'000	Company 31 December 2010 6 months $US'000	Company 30 June 2010 12 months $US'000
Cash flows from operating activities					
Receipts from customers		86,819	34,282	-	-
Interest received		321	583	290	544
Other income		100	123	-	-
Payments to suppliers and employees		(52,966)	(13,110)	(2,571)	(4,485)
Net cash generated by/ (used in) operating activities	25(b)	34,274	21,878	(2,281)	(3,941)
Cash flows from investing activities					
Payment for plant and equipment		(4,064)	(23,219)	(3)	(4)
Payments for exploration & evaluation		(6,829)	(12,015)	-	-
Proceeds from the sale of plant and equipment		-	3,900	-	1
Advances to subsidiaries		-	-	(1,497)	(84,001)
Payments for mine development		(36,636)	(109,101)	-	-
Proceeds from gold sales (pre-production)		-	36,469	-	-
Net cash used in investing activities		(47,529)	(103,966)	(1,500)	(84,004)
Cash flows from financing activities					
Proceeds from the issue of equity and conversion of options		138,931	43,340	138,931	43,340
Share issue costs		(4,433)	(1,572)	(4,433)	(1,572)
Net cash provided by financing activities		134,498	41,768	134,498	41,768
Net decrease in cash and cash equivalents		121,243	(40,320)	130,717	(46,177)
Cash and cash equivalents at the beginning of the financial year		31,326	68,609	14,883	58,747
Effect of exchange rate changes on the balance of cash held in foreign currencies		1,769	3,037	1,742	2,313
Cash and cash equivalents at the end of the financial year	25(a)	154,338	31,326	147,342	14,883

The above Statement of Cash Flows should be read in conjunction with the notes on pages 72 to 104

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 December 2010

1. General information

Centamin Egypt Limited (the Company) is a listed public company, incorporated in Australia and operating in Egypt.

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361 El-Horreya Road
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2. Adoption of new and revised accounting standards

In the current financial period, the Company and Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to its operations and effective for annual financial periods beginning on or after 1 January 2010. The adoption of these new and revised Standards and Interpretations has not resulted in a change to the Group's accounting policies.

At the date of authorisation of the financial report, the following Standards and Interpretations were in issue but not yet effective.

Initial application of the following Standards will not affect any of the amounts recognised in the financial report, but will change the disclosures presently made in relation to the Group and Company's financial report:

Standard / Interpretation	Effective for annual financial periods beginning on or after:	Expected to be initially applied in the financial year ending:
AASB 9 *Financial Instruments*, AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9.* AASB 9 introduces new requirements for classifying and measuring financial assets.	1 January 2013	31 December 2013
AASB 9 *Financial Instruments (December 2010), AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010.)* A revised version of AASB 9 incorporating revised requirements for the classification and measurement of financial liabilities, and carrying over the existing derecognition requirements from AASB 139 *Financial Instruments: Recognition and Measurement.* The revised financial liability provisions maintain the existing amortised cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss – in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss.	1 January 2013	31 December 2013

Initial application of the following Standards is not expected to have any material impact on the financial report of the Group and the Company:

Standard / Interpretation	Effective for annual financial periods beginning on or after:	Expected to be initially applied in the financial year ending:
AASB 124 *Related Party Disclosures* (2009), AASB 2009-12 *Amendments to Australian Accounting Standards* Amends the requirements of the previous version of AASB 124.	1 January 2011	31 December 2011

AASB 2009-10 *Amendments to Australian Accounting Standards - Classification of Rights Issues* Amends AASB 132 *Financial Instruments: Presentation* to require a financial instrument that gives the holder the right to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency to be classified as an equity instrument if, and only if, the entity offers the financial instrument pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. Prior to this amendment, rights issues (rights, options, or warrants) denominated in a currency other than the functional currency of the issuer were accounted for as derivative instruments.	1 February 2010	31 December 2011
AASB 2010-3 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project* Amends a number of pronouncements as a result of the IASB's 2008-2010 cycle of annual improvements to provide clarification of certain matters.	1 July 2010	31 December 2011
AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* Amends a number of pronouncements as a result of the IASB's 2008-2010 cycle of annual improvements.	1 January 2011	31 December 2011
AASB 2010-5 *Amendments to Australian Accounting Standards.* The Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the IASB. These amendments have no major impact on the requirements of the amended pronouncements.	1 January 2011	31 December 2011
AASB 2010-6 *Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets* Amends disclosure requirements about transfers of financial assets. The amendments are designed to allow users of financial statements to improve their understanding of transfer transactions of financial assets (for example, securitisations, factoring of receivables), including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.	1 July 2011	31 December 2012
AASB 2010-8 *Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets* Amends AASB 112 *Income Taxes* to provide a presumption that recovery of the carrying amount of an asset measured using the fair value model in IAS 40 Investment Property will, normally, be through sale. This change eliminates the need to determine 'management expectations' as to use or sale for eligible investment properties.	1 January 2012	31 December 2012
AASB Interpretation 19 *Extinguishing Liabilities with Equity Instruments* Requires the extinguishment of a financial liability by the issue of equity instruments to be measured at fair value (preferably using the fair value of the equity instruments issued) with the difference between the fair value of the instrument issued and the carrying value of the liability extinguished being recognised in profit or loss. The Interpretation does not apply where the conversion terms were included in the original contract (such as in the case of convertible debt) or to common control transactions.	1 July 2010	31 December 2011

3. Summary of significant accounting policies

Statement of Compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law. The financial report includes the separate financial statements of the company and the consolidated financial statements of the Group. Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with A-IFRS ensures that the financial statements and notes of the company and the Group comply with International Financial Reporting Standards ('IFRS').

Comparative Financial Information

There is no comparable period for the six months to 31 December 2009 as the immediately preceding annual financial period of the consolidated entity was the twelve months to 30 June 2010, due to a change in the year end of the Company. Given that the results of the consolidated entity are not, in the opinion of the directors, affected by seasonality, and to provide users with useful comparative information, the directors have included for comparative purposes the results of the consolidated entity for the twelve months ended 30 June 2010.

The financial statements were authorised for issue by the directors on 28 February 2011.

(A) BASIS OF PREPARATION

This financial report is denominated in United States Dollars, which is the functional currency of Centamin Egypt Limited. The Company is a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, all financial information presented in United States Dollars has been rounded to the nearest thousand dollars, unless otherwise stated.

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

In the application of A-IFRS 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 circumstance, 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.

Judgments made by management in the application of A-IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

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

(B) CASH AND CASH EQUIVALENTS

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

(C) FINANCIAL INSTRUMENTS

Debt and Equity Instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Other financial liabilities

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

(D) EMPLOYEE BENEFITS

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

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash flows to be made by the consolidated entity in respect of services provided by employees up to reporting date.

Superannuation

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

(E) EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE

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

i) the rights to tenure of the area of interest are current; and
ii) at least one of the following conditions is also met:
  a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
  b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

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

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

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

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

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

(F) FINANCIAL ASSETS

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

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

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest rate method less impairment.

Interest is recognised by applying the effective interest rate.

Impairment of financial assets

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

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

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

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

(G) FOREIGN CURRENCY

The individual financial statements of each group entity are presented in its functional currency being the currency of the primary economic environment in which the entity operates. For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in United States dollars, which is the functional currency of Centamin Egypt Limited and the presentation currency for the consolidated financial statements.

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

(H) GOODS AND SERVICES TAX

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i. Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
ii. For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operation cash flows.

(I) IMPAIRMENT OF ASSETS (OTHER THAN EXPLORATION AND EVALUATION AND FINANCIAL ASSETS)

At each reporting date, the consolidated entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Each cash generated unit is determined on an area of interest basis.

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

(J) INVENTORIES

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

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

(K) JOINT VENTURE ARRANGEMENTS

Jointly controlled operations

Where the Group is a venturer (and so has joint control) in a jointly controlled operation, the Group recognises the assets that it controls and the liabilities that it incurs, along with the expenses that it incurs and the Group’s share of the income that it earns from the sale of goods or services by the joint venture.

(L) LEASED ASSETS

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

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

(M) PLANT AND EQUIPMENT

Plant and equipment is stated at cost less accumulated depreciation and impairment. Plant and equipment will include capitalised development expenditure. Cost includes expenditure that is directly attributable to the acquisition of the item as well as the estimated cost of abandonment. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

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

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

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

Plant & Equipment & Office Equipment	-	4 - 10 years
Motor Vehicles	-	2 - 8 years
Land & Buildings	-	4 - 20 years

(N) MINE DEVELOPMENT PROPERTIES

Where mining of a mineral resource has commenced, the accumulated costs are transferred to mine properties.

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

(O) REVENUE

Revenue is measured at the fair value of the consideration received or receivable.

<u>Sale of goods</u>

Revenue from the sale of mineral production is recognised when the Consolidated Entity has passed the risks and rewards of the mineral production to the buyer.

<u>Pre-production revenues</u>

Income derived by the entity prior to the date of commercial production (being 1 April 2010) was offset against the expenditure capitalised and carried in the Comparative Statement of Financial Position. All revenues recognised post 1 April 2010 are recognised in accordance with the revenue policy stated above. 1 April 2010 was selected as the commencement date of commercial production due to the fact that sufficient, stable and sustained production capacity had been achieved as at that date.

<u>Production royalty</u>

The Arab Republic of Egypt ("ARE") is entitled to a royalty of 3% of net sales revenue from the sale of gold and associated minerals from the Sukari Project. This royalty is calculated and recognised on receipt of the final certificate of analysis document received from the refinery. Due to its nature, the royalty is independent of, and not classified as, a cost of sales.

<u>Interest revenue</u>

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

(P) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the consolidated entity, being the company (the parent entity) and its subsidiaries as defined in Accounting Standard AASB 127 "Consolidated and Separate Financial Statements". Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

The consolidated financial statements include the information and results of each subsidiary from the date on which the company obtains control and until such time as the company ceases to control such entity. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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

(Q) SHARE-BASED PAYMENTS

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

Equity-settled share based transactions with other parties are measured at the fair value of the goods or services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counter party renders the service.

The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. Further details on how the fair value of equity-settled share-based transactions has been determined can be found in Notes 27 and 28. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with corresponding adjustment to the equity-settled employee benefits reserve.

(R) TAXATION

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

<u>Current tax</u>

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

<u>Deferred tax</u>

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

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

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

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

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

Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

Tax Consolidation

The Company and all its wholly-owned Australian resident entities are part of a tax-consolidated group under Australian taxation law. Centamin Egypt Limited is the head entity in the tax-consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the "separate taxpayer within group" approach. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by the company (as the head entity in the tax-consolidated group).

Due to the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by the company and each member of the group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement. Further information about the tax funding arrangement is detailed in Note 7 to the financial statements. Where the tax contribution amount recognised by each member of the tax-consolidated group for a particular period is different to the aggregate of the current tax liability or asset and any deferred tax asset arising from unused tax losses and tax credits in respect of that period, the difference is recognised as a contribution to (or distribution to) equity participants.

(S) RESTORATION AND REHABILITATION

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

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

4. Critical accounting judgements and key sources of estimation uncertainty

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

(a) 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.

(b) Ore reserve estimates
Estimates of recoverable quantities of reserves include assumptions on commodity prices, exchange rates, discount rates and production costs for future cashflows. It also involves assessment and judgement of difficult geological models. The economic, geological and technical factors used to estimate ore reserves may change from period to period. Changes in ore reserves affect the carrying values of mine properties, property, plant and equipment, provision for rehabilitation assets and

deferred taxes. Ore reserves are integral to the amount of depreciation and amortisation charged to the Statement of Comprehensive Income and the calculation of inventory.

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

(a) Impairment of Inter Company Loans
The Company made loans and advances to its subsidiaries as detailed in Note 9 to the financial statements. These loans and advances were established for the purpose of routing funds out of Australia to fund exploration and resource development in Egypt. The recovery of these loans and advances is entirely dependent upon returns from the successful development of mining operations in Egypt or from surpluses from the sale of either the subsidiary companies or their projects.
(b) Recovery of Capitalised Exploration Evaluation and Development Expenditure
The Group capitalises exploration, evaluation and development expenditure incurred on ongoing projects. The recoverability of this capitalised exploration expenditure is entirely dependent upon returns from the successful development of mining operations or from surpluses from the sale of the projects or the subsidiary companies that control the projects. At the point that it is determined that any capitalised exploration expenditure is not recoverable, it is written off.

5. Revenue

An analysis of the consolidated entity's and Company's revenue for the financial period, from continuing operations, is as follows:

	Consolidated		Company	
	31 December 2010 6 months $US'000	30 June 2010 12 months $US'000	31 December 2010 6 months $US'000	30 June 2010 12 months $US'000
Revenue:				
Gold sales	86,820	37,005	-	-
Silver sales	62	122	-	-
Interest revenue	321	583	290	544
	87,203	37,710	290	544
Other revenue:				
Sale of plant and equipment	-	888	-	-
Sale of scrap & waste	39	-	-	-
	39	888	-	-

6. Profit/(Loss) for the financial period
Profit/(loss) for the financial period has been arrived at after crediting/(charging) the following gains/(losses) and expenses:

	Consolidated		Company	
	31 December 2010 6 months $US'000	30 June 2010 12 months $US'000	31 December 2010 6 months $US'000	30 June 2010 12 months $US'000
Gains and Losses				
Net foreign exchange gain	1,593	3,614	1,801	4,523
	1,593	3,614	1,801	4,523
Expenses				
Cost of Sales				
Mine production costs	(32,447)	(10,987)	-	-
Movement in production inventory	3,098	7,440	-	-
	(29,349)	(3,547)	-	-
Production Royalty				
Attributable to Egyptian Government	(2,604)	(2,205)	-	-
	(2,604)	(2,205)	-	-
Administrative expenses				

Corporate compliance	(555)	(2,400)	(555)	(2,250)
Corporate consultants	(510)	(775)	(481)	(772)
Employee entitlements	(56)	(659)	(56)	(22)
Salary and wages	(1,885)	(1,046)	(967)	(369)
Travel and accommodation	(201)	(643)	(179)	(400)
Other administration expenses	(467)	(290)	(311)	(922)
	(3,674)	(5,813)	(2,549)	(4,735)
Depreciation and amortisation:				
Amortisation of mine properties	(13,920)	(8,189)	-	-
Provision for rehabilitation	(91)	(51)	-	-
Depreciation of non-current assets	(7,141)	(3,657)	(3)	(11)
	(21,152)	(11,897)	(3)	(11)
Share based payments:				
Employee equity settled share based payments	(14)	(393)	(14)	(393)
Non-employee settled share based payments	-	(1,329)	-	(1,329)
	(14)	(1,722)	(14)	(1,722)

7. Income taxes

Income tax expense recognised in the profit or loss:

	Consolidated		Company	
	31 December 2010 6 months $US'000	30 June 2010 12 months $US'000	31 December 2010 6 months $US'000	30 June 2010 12 months $US'000
(a) Income tax expense				
Current income tax				
Current tax expense/(income) in respect of the current financial period	-	-	-	-
Benefit arising from previously unrecognised tax losses, tax credits or temporary differences of a prior period that is used to reduce current tax expense	-	-	-	-
	-	-	-	-
Deferred income tax				
Deferred tax expense relating to the origination and reversal of temporary differences	750	1,420	750	1,221
Deferred tax (income)/expense relating to the reversal of temporary differences	(750)	2,738	(750)	2,738
Total tax expense	-	4,158	-	3,959
Income tax expense reported in Statement of Comprehensive Income	**-**	**4,158**	**-**	**3,959**

The prima facie income tax expense/(benefit) on the profit/loss before income tax reconciles to the income tax in the financial statements as follows:

	Consolidated		Company	
	31 December 2010 6 months $US'000	30 June 2010 12 months $US'000	31 December 2010 6 months $US'000	30 June 2010 12 months $US'000
Profit /(Loss) before income tax	32,042	17,028	(475)	(1,401)
Tax expense / (income) calculated at 30% of Profit before income tax (30 June 2010: 30%)	9,613	5,108	(143)	(420)
Tax effect of amounts which are not deductible/taxable in calculating taxable income:				

Non-deductible expenses	17,038	516	770	516
Exempt foreign profits	(26,651)	(4,679)	(627)	850
Under provision from prior years	-	475	-	275
Tax benefit of previously unrecognised tax losses and tax credits of prior periods	-	2,738	-	2,738
Tax expense/(income) attributable to profit/(loss) before tax	**-**	**4,158**	**-**	**3,959**

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under the Australian tax law. There has been no change in the corporate tax rate when compared to the previous financial period.

	Consolidated		Company	
	31 December 2010 6 months $US'000	**30 June 2010 12 months $US'000**	**31 December 2010 6 months $US'000**	**30 June 2010 12 months $US'000**
(b) Income tax recognised directly in equity				
The following current and deferred amounts were charged/(credited) directly to equity during the financial period:				
- Share issue expenses	-	(55)	-	(55)
(c) Current tax liabilities				
Current tax payable	444	444	489	489
	444	**444**	**489**	**489**
(d) Deferred tax balances				
Deferred tax assets comprise:				
Business related costs	-	-	-	-
Losses	-	-	-	-
Unrealised foreign exchange gains and losses	-	-	-	-
Provisions	-	-	-	-
	-	**-**	**-**	**-**
Unrecognised deferred tax assets				
The following have not been brought to account as assets:				
Tax Losses - revenue	-	4,950	-	4,950
Tax Losses - capital	-	514	-	514
Temporary Differences	-	17	-	17
	-	5,481	-	5,481
Tax Effect at 30%	-	1,644	-	1,644

TAX CONSOLIDATION

Relevance of tax consolidation to the consolidated entity

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

Nature of tax funding arrangements and tax sharing agreements

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

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

8. Segment reporting

The Consolidated Entity is engaged in the business of exploration and mining of precious and base metals only, which is characterised as one operating segment only. As the consolidated Entity has only one operating segment, all the necessary reporting disclosures are disclosed elsewhere in the notes to the financial statements.

9. Trade and other receivables

	Consolidated		Company	
	31 December 2010 $US'000	30 June 2010 $US'000	31 December 2010 $US'000	30 June 2010 $US'000
Current				
Gold sales debtor	-	3,304	-	-
Other receivables	128	12	125	5
	128	**3,316**	**125**	**5**
Non-current				
Loans and advances to subsidiaries	-	-	427,853	426,296
Less: Allowance for doubtful debts	-	-	(2,537)	(2,537)
	-	**-**	**425,316**	**423,759**

The intercompany loans receivable are interest free and have no set terms of repayment. The recoverability of the loans from the controlled entities is dependent on the successful development and economic exploitation of the controlled entities' exploration interests. The repayments of the loans are not expected to occur within the next 12 months.

10. Inventories

	Consolidated		Company	
	31 December 2010 $US'000	30 June 2010 $US'000	31 December 2010 $US'000	30 June 2010 $US'000
Current				
Mining stockpiles and ore in circuit	10,539	7,440	-	-
Stores inventories at cost	27,478	14,421	-	-
	38,017	**21,861**	**-**	**-**

11. Other Assets

	Consolidated		Company	
	31 December 2010 $US'000	30 June 2010 $US'000	31 December 2010 $US'000	30 June 2010 $US'000
Current				
Prepayments	460	268	23	-
	460	**268**	**23**	**-**

12. Property, plant and equipment

Consolidated	Office Equipment $US'000	Land and Buildings $US'000	Plant and Equipment $US'000	Motor Vehicles $US'000	Total $US'000
Gross Carrying Amount					
Balance at 30 June 2010	2,145	14	237,192	56,320	**295,671**
Additions	98	-	3,948	18	**4,064**
Disposals	-	-	-	-	**-**
Balance at 31 December 2010	2,243	14	241,140	56,338	**299,735**
Accumulated Depreciation					
Balance at 30 June 2010	(1,142)	(7)	(2,476)	(8,974)	**(12,599)**
Depreciation expense	(275)	(1)	(3,766)	(3,099)	**(7,141)**
Disposals	-	-	-	-	**-**
Balance at 31 December 2010	(1,417)	(8)	(6,242)	(12,073)	**(19,740)**
Net Book Value					
As at 30 June 2010	1,003	7	234,716	47,346	**283,072**
As at 31 December 2010	**826**	**6**	**234,898**	**44,265**	**279,995**

Company	Office Equipment $US'000	Land and Buildings $US'000	Plant and Equipment $US'000	Motor Vehicles $US'000	Total $US'000
Gross Carrying Amount					
Balance at 30 June 2010	142	5	290	-	**437**
Additions	3	-	-	-	**3**
Disposals	-	-	-	-	**-**
Balance at 31 December 2010	145	5	290	-	**440**
Accumulated Depreciation					
Balance at 30 June 2010	(133)	(3)	(290)	-	**(426)**
Depreciation expense	(3)	-	-	-	**(3)**
Disposals	-	-	-	-	**-**
Balance at 31 December 2010	(136)	(3)	(290)	-	**(429)**
Net Book Value					
As at 30 June 2010	9	2	-	-	11
As at 31 December 2010	**9**	**2**	**-**	**-**	**11**

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

Plant & Equipment	-	4 – 10 years
Office Equipment	-	4 – 10 years
Land and Buildings	-	4 – 20 years
Motor Vehicles	-	2 – 8 years

Aggregate depreciation allocated, whether recognised as an expense or capitalised as part of the carrying amount of other assets during the year:

	Consolidated		Company	
	31 December 2010 $US'000	30 June 2010 $US'000	31 December 2010 $US'000	30 June 2010 $US'000
Plant & Equipment	3,766	2,061	-	-
Office Equipment	275	511	3	11
Land and Buildings	1	-	-	-
Motor Vehicles	3,099	5,152	-	-
	7,141	7,724	3	11

13. Other financial assets

	Consolidated		Company	
	31 December 2010 $US'000	30 June 2010 $US'000	31 December 2010 $US'000	30 June 2010 $US'000
Non-current				
Investments in subsidiaries	-	-	4,868	4,868
Recoverable amount write down	-	-	(366)	(366)
	-	**-**	**4,502**	**4,502**

14. Exploration, evaluation and development expenditure

	Consolidated		Company	
	31 December 2010 6 months $US'000	30 June 2010 12 months $US'000	31 December 2010 6 months $US'000	30 June 2010 12 months $US'000
Exploration and evaluation phase (at cost)				
Balance at the beginning of the financial period	38,714	26,699	302	302
Expenditure for the financial period	6,398	12,015	-	-
Balance at the end of the financial period	45,112	38,714	302	302

	Consolidated		Company	
	31 December 2010 6 months $US'000	30 June 2010 12 months $US'000	31 December 2010 6 months $US'000	30 June 2010 12 months $US'000
Development phase (at cost)				
Balance at the beginning of the financial period	99,811	242,376	-	-
Expenditure for the financial period	40,953	136,306	-	-
Amortisation for the financial period	(13,920)	(8,189)	-	-
Capitalised pre-production revenue	-	(36,469)	-	-
Transfers to Property, Plant & Equipment	(4,062)	(234,213)	-	-
Balance at the end of the financial period	122,782	99,811	-	-
Net book value of exploration, evaluation and development phase expenditure	167,894	138,525	302	302

The Sukari Gold Project has several planned phases of development. Open pit waste removal, underground capital development and process plant expansion activities are being separately accounted for as development phase expenditure.

15. Trade and other payables

		Consolidated		Company	
		31 December 2010 $US'000	30 June 2010 $US'000	31 December 2010 $US'000	30 June 2010 $US'000
Current					
Trade payables	(i)	17,881	21,318	265	202
Other creditors and accruals		121	886	152	110
		18,002	**22,204**	**417**	**312**

(i) Trade payables are interest free for periods ranging from 30 to 180 days. Thereafter interest is charged at commercial rates. The consolidated entity has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

16. Provisions

		Consolidated		Company	
		31 December 2010 $US'000	30 June 2010 $US'000	31 December 2010 $US'000	30 June 2010 $US'000
Current					
Employee benefits	(i)	666	556	161	144
		666	**556**	**161**	**144**
Non-current					
Employee Benefits		83	171	-	-
Restoration and rehabilitation	(ii)	2,541	2,451	-	-
		2,624	**2,622**	**-**	**-**

	Consolidated	
	31 December 2010 6 months $US'000	30 June 2010 12 months $US'000
Movement in restoration and rehabilitation provision		
Balance at beginning of the financial period	2,451	1,606
Additional provision recognised	67	685
Unwinding of discount	23	160
Balance at end of financial period	**2,541**	**2,451**

(i) Employee benefits relate to annual, sick and long service leave entitlements outstanding as at 31 December 2010. The current provision for employee benefits includes $375,000 (Company $35,000) of annual leave entitlements accrued but not expected to be taken within 12 months (2010: $340,000 and $32,000 for the Group and Company respectively).

(ii) The provision for restoration and rehabilitation represents the present value of the directors' best estimate of the future sacrifice of the economic benefits that will be required to remove the facilities and restore the affected areas at the Company's sites. This estimate has been made on the basis of benchmark assessments of restoration works required following mine closure and after taking into account the projected area to be disturbed over the life of the mine. Cash outflows are expected to commence toward the end of current mine life.

17. Issued capital

	Consolidated		Company	
	31 December 2010 6 months $US'000	30 June 2010 12 months $US'000	31 December 2010 6 months $US'000	30 June 2010 12 months $US'000
Fully paid ordinary shares				
Balance at beginning of financial period	465,096	416,886	465,096	416,886
Issue of shares upon exercise of options and warrants	2,382	16,262	2,382	16,262
Transfer from share options reserve	906	6,442	906	6,442
Other placements	136,549	27,023	136,549	27,023
Share issue costs	(4,433)	(1,572)	(4,433)	(1,572)
Tax effect on share issue costs	-	55	-	55
Balance at end of financial period	**600,500**	**465,096**	**600,500**	**465,096**

Change to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 01 July 1998. Therefore, the Company does not have a limited amount of authorised capital and issued shares do not have a par value.

	31 December 2010 6 months		30 June 2010 12 months	
Fully Paid Ordinary Shares	Number	$'000	Number	$'000
Balance at beginning of financial period	1,028,818,333	465,096	991,940,623	416,886
Issue of shares upon exercise of options and warrants	1,625,000	3,288	17,877,710	22,704
Other placements (net of share issue costs)	51,502,917	132,116	19,000,000	25,506
Balance at end of financial period	**1,081,946,250**	**600,500**	**1,028,818,333**	**465,096**

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Share options granted under the employee share option plan

In accordance with the provisions of the employee share option plans, as at 31 December 2010, executives and employees have options over 1,695,000 ordinary shares (all of which are vested). The expiry dates of the granted options are detailed in Note 28. Share options granted under the employee share option plan carry no rights to dividends and no voting rights. Further details of the employee share option plan are contained in Note 27 to the financial statements.

18. Reserves

	Consolidated		Company	
	31 December 2010 6 months $US'000	30 June 2010 12 months $US'000	31 December 2010 6 months $US'000	30 June 2010 12 months $US'000
Option reserve	1,857	1,857	1,857	1,857
Asset realisation reserve	438	438	438	438
Capital reserve	-	-	490	490
Share option reserve	1,050	1,942	1,050	1,942
	3,345	**4,237**	**3,835**	**4,727**
Option reserve				
Balance at beginning of financial period	1,857	1,857	1,857	1,857
Movements during the period	-	-	-	-
Balance at the end of financial period	**1,857**	**1,857**	**1,857**	**1,857**

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

Asset realisation reserve				
Balance at beginning of financial period	438	438	438	438
Movements during the period	-	-	-	-
Balance at the end of financial period	**438**	**438**	**438**	**438**

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

	Consolidated		Company	
	31 December 2010 6 months US'$000	30 June 2010 12 months US'$000	31 December 2010 6 months US'$000	30 June 2010 12 months US'$000
Capital Reserve				
Balance at beginning of financial period	-	-	490	490
Movements during the period	-	-	-	-
Balance at the end of financial period	**-**	**-**	**490**	**490**

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

Share option reserve				
Balance at beginning of financial period	1,942	6,662	1,942	6,662
Cost of share based payments	14	1,722	14	1,722
Transfer to issued capital	(906)	(6,442)	(906)	(6,442)
Balance at the end of financial period	**1,050**	**1,942**	**1,050**	**1,942**

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

19. Commitments for expenditure

	Consolidated		Company	
	31 December 2010 $US'000	30 June 2010 $US'000	31 December 2010 $US'000	30 June 2010 $US'000
(a) Capital expenditure commitments				
Plant and equipment				
Not longer than 1 year	13,607	13,800	-	-
Longer than 1 year and not longer than 5 years	-	-	-	-
Longer than 5 years	-	-	-	-
	13,607	**13,800**	**-**	**-**
(b) Operating Lease commitments				
Office premises				
Not longer than 1 year	62	62	45	45
Longer than 1 year and not longer than 5 years	-	-	-	-
Longer than 5 years	-	-	-	-
	62	**62**	**45**	**45**

Operating lease commitments are limited to office accommodation in Alexandria, Egypt and Perth, Australia.

20. Contingent liabilities and contingent assets

There are no contingent liabilities and contingent assets to report as at 31 December 2010.

21. Particulars in relation to subsidiaries

	Country of Incorporation	Ownership Interest	
		31 December 2010 %	30 June 2010 %
Parent entity			
Centamin Egypt Limited	Australia		
Subsidiaries			
Viking Resources Limited	Australia	100	100
North African Resources NL	Australia	100	100
Pharaoh Gold Mines NL	Australia	100	100
Centamin Limited	Bermuda	100	100

The parent entity is the head of the group for tax consolidation purposes and the subsidiaries, with the exception of Centamin

Limited, are all members of this same tax consolidation group. Pursuant to ASIC Class Order 98/1418 (as amended) dated 13 August 1998, the wholly owned Australian subsidiaries listed above are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports and directors' report. It is a condition of the Class Order that the Company and each of the subsidiaries enter into a Deed of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the Corporations Act 2001. If a winding up occurs under the provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event the Company is wound up.

A Statement of Comprehensive Income and Statement of Financial Position, comprising the Company and controlled entities which are party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee, at 31 December 2010 is set out as follows:

(a) Summarised Statement of Comprehensive Income	**31 December 2010 6 months $US'000**	**30 June 2010 12 months $US'000**
Profit/(Loss) Before tax	32,051	17,020
Income Tax Expense	-	(4,158)
Net Profit/(Loss) after tax	32,051	12,862

(b) Summarised Statement of Financial Position	**31 December 2010 $US'000**	**30 June 2010 $US'000**
ASSETS		
Cash and cash equivalents	154,337	31,325
Trade and other receivables	128	3,316
Inventories	38,017	21,861
Other Assets	460	268
Total current assets	**192,942**	**56,770**
Plant and equipment	279,995	283,072
Deferred tax assets	0	-
Exploration, evaluation and development	167,975	138,596
Total non-current assets	**447,970**	**421,668**
Total assets	**640,912**	**478,438**
LIABILITIES		
Trade and other payables	18,002	22,204
Current tax liabilities	444	444
Provisions	666	556
Total current liabilities	19,112	**23,204**
Provisions	2,624	2,622
Total non-current liabilities	2,624	**2,622**
Total liabilities	**21,736**	**25,826**
Net assets	**619,176**	**452,612**
EQUITY		
Issued capital	600,487	465,083
Reserves	3,345	4,237
Accumulated Profits / (Losses)	15,344	(16,708)
Total equity	**619,176**	**452,612**

22. Auditors' remuneration

	Consolidated		Company	
	31 December 2010 6 months $US	30 June 2010 12 months $US	31 December 2010 6 months $US	30 June 2010 12 months $US
Auditor of the parent entity				
Auditing or review of the financial report	178,652	177,783	178,652	177,783
Preparation of the tax return	49,027	67,686	49,027	67,686
Other non-audit services	-	544,642	-	544,642
	227,679	**790,111**	**227,679**	**790,111**

The auditor of Centamin Egypt Limited is Deloitte Touche Tohmatsu. In the prior financial period, other non-audit services included the provision of advice and due diligence activities in relation to the Company's main board listing on the London Stock Exchange. These services were provided by both the Australian and United Kingdom offices of Deloitte Touche Tohmatsu.

23. Jointly controlled operations

The consolidated entity has material interests in the following ventures:-

Name of joint venture	Principal Activities	Percentage Interest	
		31 December 2010 %	30 June 2010 %
Egyptian Pharaoh Investments	Exploration	50	50
Sukari Gold Mines	Exploration & Production	50	50

The consolidated entity's interest as a joint venture partner, in assets employed in the above jointly controlled operations and assets is detailed below. The amounts are included in the consolidated financial statements under their respective asset, and liability categories.

	Consolidated	
	31 December 2010 $US'000	30 June 2010 $US'000
Current assets		
Cash and cash equivalents	11,069	18,230
Trade and other receivables	-	3,305
Inventories	27,894	11,739
Prepayments and deposits	309	181
	39,272	**33,455**
Non-current assets		
Exploration, evaluation and development	52,212	46,253
	52,212	**46,253**
Current liabilities		
Trade and other payables	16,340	18,975
	16,340	**18,975**

Contingent liabilities and capital commitments arising from the Group's interests in joint ventures are disclosed in Notes 19 and 20.

24. Earnings per share

	Consolidated	
	31 December 2010 6 months Cents Per Share	30 June 2010 12 months Cents Per Share
Basic earnings per share	3.10	1.26
Diluted earnings per share	3.09	1.26

Basic Earnings per Share

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

	31 December 2010 6 months $'000	30 June 2010 12 months $'000
Earnings used in the calculation of basic EPS	32,042	12,870

	31 December 2010 6 months No.	30 June 2010 12 months No.
Weighted average number of ordinary shares for the purposes of basic EPS	1,034,672,993	1,018,425,873

Diluted Earnings per Share

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

	31 December 2010 6 months $'000	30 June 2010 12 months $'000
Earnings used in the calculation of diluted EPS	32,042	12,870

	31 December 2010 6 months	30 June 2010 12 months
Weighted average number of ordinary shares for the purposes of diluted EPS	1,035,850,664	1,019,822,500
Weighted average number of ordinary shares for the purposes of basic EPS	1,034,672,993	1,018,425,873
Shares deemed to be issued for no consideration in respect of employee options	1,177,671	1,396,627
Weighted average number of ordinary shares used in the calculation of diluted EPS	1,035,850,664	1,019,822,500

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

25. Notes to the statements of cash flows

(a) Reconciliation of cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank and deposits. Cash and cash equivalents as at the end of the financial period as shown in the Statement of Cash Flows is reconciled to the related item in the Statement of Financial Position as follows:

	Consolidated		Company	
	31 December 2010 6 months $US'000	30 June 2010 12 months $US'000	31 December 2010 6 months $US'000	30 June 2010 12 months $US'000
Cash and cash equivalents	154,338	31,326	147,342	14,883

(b) Reconciliation of profit/(loss) for the financial period to net cash flows from operating activities

Profit/(Loss) for the financial period	32,042	12,870	(475)	(5,360)
Add/(less) non-cash items:				
Depreciation of non-current assets	7,141	3,657	3	11
Amortisation of mine properties	13,920	8,189	-	-
Foreign exchange rate (gain)/loss	(1,593)	(3,614)	(1,801)	(4,523)
Equity settled share based payments	14	1,722	14	1,722
Income tax (income)/expense	-	4,158	-	3,959
Changes in assets and liabilities during the financial period:				
Decrease/(increase) in receivables	3,188	(3,286)	(143)	9
(Increase)/decrease in inventories	(16,156)	(18,081)	-	-
(Increase)/decrease in prepayments	(192)	677	-	-
(Decrease)/increase in trade creditors and accruals	(4,202)	14,750	104	167
Increase in provisions	112	836	17	74
Net cash generated by/(used in) operating activities	34,274	21,878	(2,281)	(3,941)

(c) Non-cash financing and investing activities

There were no non-cash financing and investing activities during the current period.

26. Financial instruments

a) Group risk management

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

The capital structure consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital and reserves as disclosed in Notes 17 and 18. The Group operates in Australia and Egypt. None of the Group's entities are subject to externally imposed capital requirements.

The Group utilises inflows of funds toward the ongoing exploration and development of the Sukari Gold Project in Egypt.

b) Financial risk management and objectives

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

The Group's activities expose it to a variety of financial risks: market, commodity, credit, liquidity, foreign exchange and interest rate. These risks are managed under Board approved directives through the Audit Committee. The Group's principal financial instruments comprise interest bearing cash and short term deposits. Other financial instruments include trade receivables and trade payables, which arise directly from operations.

	Consolidated		Company	
	31 December 2010 $US'000	30 June 2010 $US'000	31 December 2010 $US'000	30 June 2010 $US'000
Financial assets				
Cash and cash equivalents	154,338	31,326	147,342	14,883
Loans and receivables	128	3,316	125	5
	154,466	34,642	147,467	14,888
Financial liabilities				
Amortised cost	18,002	22,204	417	212
	18,002	22,204	417	212

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

c) Market risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Australian dollars and Egyptian Pounds. Exposure to Canadian dollars has diminished considerably when compared to prior periods. As a fixed currency, Egyptian Pounds are tied to United States Dollars, thereby minimising market risk exposure. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the entity's functional currency. The risk is measured by regularly monitoring, forecasting and performing sensitivity analysis on the Group's financial position.

The financial instruments denominated in Australian and Canadian dollars are as follows:

	Australian dollar		Canadian Dollar	
	31 December 2010 $US'000	30 June 2010 $US'000	31 December 2010 $US'000	30 June 2010 $US'000
Financial assets				
Cash	4,542	10,515	4	1,904
Trade and other receivables	30	13	-	-
	4,572	10,528	4	1,904
Financial liabilities				
Trade and other payables	3,543	3,504	-	-
	3,543	3,504	-	-
Net exposure	**1,029**	**7,024**	**4**	**1,904**

The following table summarises the sensitivity of financial instruments held at the balance date to movements in the exchange rate of the Australian and Canadian dollar to the United States dollar, with all other variables held constant. The 10% sensitivity is based on reasonably possible changes, over a financial year, using the observed range of actual historical rates for the preceding five year period.

	Impact on profit		Impact on equity	
	31 December 2010 $US'000	30 June 2010 $US'000	31 December 2010 $US'000	30 June 2010 $US'000
Post-tax gain / (loss)				
AUD / USD +10%	103	702	-	-
AUD / USD -10%	(94)	(638)	-	-
CAD / USD +10%	-	190	-	-
CAD / USD -10%	-	(173)	-	-

The Group's sensitivity to foreign currency has decreased at the end of the current period mainly due to the decreased foreign currency cash holdings in Canadian dollars and Australian dollars.

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

d) Commodity price risk

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

e) Interest rate risk

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

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

	Weighted Average Effective Interest Rate %	Less than 1 month $US'000	1-12 months $US'000	>12 months $US'000	Total $US'000
Consolidated					
31 December 2010					
Financial assets					
Variable interest rate instruments	1.60	-	149,941	-	149,941
Non- interest bearing	-	4,397	-	-	4,397
		4,397	149,941	-	154,338
Financial liabilities					
Variable interest rate instruments	-	-	-	-	-
Non-interest bearing	-	18,002	1,110	82	19,194
		18,002	1,110	82	19,194
30 June 2010					
Financial assets					
Variable interest rate instruments	1.71	-	27,103	-	27,103
Non- interest bearing	-	4,223	-	-	4,223
		4,223	27,103	-	31,326
Financial liabilities					
Variable interest rate instruments	-	-	-	-	-
Non-interest bearing	-	22,204	1,000	171	23,375
		22,204	1,000	171	23,375
Company					
31 December 2010					
Financial assets					
Variable interest rate instruments	0.85	-	143,619	-	143,619
Non- interest bearing	-	3,723	-	425,316	429,039
		3,723	143,619	425,316	572,658
Financial liabilities					
Variable interest rate instruments	-	-	-	-	-
Non-interest bearing	-	417	650	-	1,067
		417	650	-	1,067
30 June 2010					
Financial assets					
Variable interest rate instruments	2.75	-	11,338	-	11,338
Non- interest bearing	-	3,550	-	423,759	427,309
		3,550	11,338	423,759	438,647
Financial liabilities					
Variable interest rate instruments	-	-	-	-	-
Non-interest bearing	-	312	633	-	945
		312	633	-	945

f) Liquidity risk

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

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

g) Credit Risk

Credit risk refers to the risk that counter-party will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with credit-worthy counter-parties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group measures credit risk on a fair value basis. The Group does not have any significant credit risk exposure to any single counter-party or any Group counter-parties having similar characteristics, except for the cash balances held in Canadian and Australian dollars which are held with a financial institution with a high credit rating.

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

h) Fair Value

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective fair values, determined in accordance with the accounting policies disclosed in Note 3 to the financial statements.

27. Share based payments

The consolidated entity had an Employee Option Plan in place for executives and employees. Options were issued to key management personnel under the Employee Option Plan 2006 (previously the Employee Option Plan 2002) as part of their remuneration. Options were offered to key management personnel at the discretion of the Directors, having regard, among other things, to the length of service with the consolidated entity, the past and potential contribution of the person to the consolidated entity and in some cases, individual performance.

Each employee share option converts into one ordinary share of the Company on exercise. The options carry neither rights to dividends nor voting rights. Options vest over a period of 12 months, with 50% vesting and exercisable after six months and the other 50% vesting and exercisable after 12 months of issue. All options are issued with a term of three years. At the discretion of the Directors part or all of the options issued to an executive or employee may be subject to performance based hurdles. No performance based hurdles have been applied for options granted to date.

In addition 4,250,000 options (Series 5) were issued to three employees outside of the Employee Share Option Plan on 31 October 2005. Details of those options were:

- 2,500,000 of those options were subject to performance based hurdles. Due to the cessation of employment by the employee to whom the options were issued they lapsed in May 2007.
- 1,000,000 of those options vest and are exercisable over a period of two years, with 50% vesting and exercisable after 12 months and the other 50% vesting and exercisable after 24 months of issue. These options have a term of 5 years. None of these options remain unexercised.
- 750,000 of those options vest and are exercisable immediately. These have a term of 5 years. None of these options remain unexercised.

In addition 2,000,000 options (Series 8) were issued to the Company's share broker in Canada as part compensation for professional services provided during the listing process on the Toronto Stock Exchange in January 2007, and subsequent capital raising in November 2007. Those options were exercisable any time within 2 years of grant date. None of these options remain unexercised.

In addition, 1,630,150 options (Series 18) were issued pursuant with the agreement with Macquarie Bank Limited to provide a corporate loan facility of up to US$25 million (as announced on 2 April 2009). Those options are exercisable any time on or before 31 December 2012. All of these options remain unexercised.

In addition, 1,000,000 options (Series 20) were issued pursuant with the agreement with Ambrian Partners Limited and Investec Bank Plc to provide advisory services associated with the main board of the London Stock Exchange. Those options were exercisable any time on or before 28 November 2010. None of these options remain unexercised.

The following share based payment arrangements were in existence during the current and comparative financial periods:

Options series	Number Originally Issued	Number Outstanding at 31 December 2010	Grant date	Expiry / Exercise Date	Exercise price A$	Fair value at grant date A$	Fair value at grant date USD$
Series 5	4,250,000	-	31 Oct 2005	31 Oct 2010	0.3500	0.1753	0.1304
Series 9	3,615,000	-	31 Jan 2007	31 Jan 2010	0.7106	0.3706	0.2873
Series 10	2,330,000	-	24 May 2007	24 May 2010	1.0500	0.4661	0.3817
Series 12	250,000	-	15 Oct 2007	15 Oct 2010	1.4034	0.4002	0.3574
Series 13	3,500,000	220,000	16 Apr 2008	16 Apr 2011	1.7022	0.4015	0.3763
Series 14	250,000	125,000	25 Aug 2008	25 Aug 2011	1.1999	0.3070	0.2656
Series 15	750,000	-	28 Oct 2008	25 Oct 2011	0.7033	0.1964	0.1210
Series 17	1,000,000	1,000,000	19 Dec 2008	19 Dec 2011	1.0000	0.3568	0.2425
Series 18	1,630,150	1,630,150	15 Apr 2009	31 Dec 2012	1.2000	0.4326	0.3129
Series 19	350,000	350,000	6 Aug 2009	6 Aug 2012	1.8658	0.7960	0.6671
Series 20	1,000,000	-	28 Nov 2009	28 Nov 2010	1.5000	0.9258	0.8393
	18,925,150	**3,325,150**					

No share options were granted during the financial period. The weighted average fair value of the share options granted during the previous financial period was A$1.5948. The share options granted to executive and employees have been valued internally by the Company using the Black and Scholes option pricing method. Options are offered to executives and employees at the discretion of the Directors, having regard, among other things, to the length of service with the consolidated entity, and to the past and potential contribution of the person to the consolidated entity and in some cases, individual performance. The number of options granted is at the Directors' discretion. The weighted average closing price of the shares in Centamin Egypt Limited for the financial period was C$2.75 (30 June 2010: C$2.03). The volatility input into the model was 75.00% based on the historical share price volatility over the past 3 years and the government rate similar to the term of the option used was 5.75%.

The below table expresses pricing in Australian Dollars. At the time of grant, the Company was listed on the Australian Securities Exchange and consequently, financial modelling and pricing structure was determined in Australian Dollars.

	Options series					
	Series 5	**Series 9**	**Series 10**	**Series 12**	**Series 13**	**Series 14**
Grant date	31 Oct 2005	31 Jan 2007	24 May 2007	15 Oct 2007	16 Apr 2008	25 Aug 2008
Grant date share price	A$0.38	A$0.87	A$1.12	A$1.400	A$1.490	A$1.09
Exercise price	A$0.35	A$0.711	A$1.05	A$1.403	A$1.702	A$1.20
Expected volatility	60.00%	60.00%	60.00%	52.00%	52.00%	52.00%
Option life	5 years	3 years	3 years	3 years	3 years	3 years
Dividend yield	0.00	0.00	0.00	0.00	0.00	0.00
Risk-free interest rate	5.25%	5.50%	5.50%	5.84%	5.84%	5.65%
	Options series					
	Series 15	**Series 17**	**Series 18**	**Series 19**	**Series 20**	
Grant date	28 Oct 2008	19 Dec 2008	15 Apr 2009	6 Aug 2009	28 Nov 2009	
Grant date share price	A$0.58	A$0.95	A$1.14	A$1.89	A$2.35	
Exercise price	A$0.703	A$1.00	A$1.20	A$1.8658	A$1.500	
Expected volatility	70%	70%	70%	75.00%	75.00%	
Option life	3 years	3 years	45 months	3 years	1 year	
Dividend yield	0.00	0.00	0.00	0.00	0.00	
Risk-free interest rate	5.29%	4.02%	4.02%	5.75%	5.25%	

The following reconciles the outstanding share options granted under the Employee Option Plan, and other share based payment arrangements, at the beginning and end of the financial period:

	6 months to 31 December 2010		12 months to 30 June 2010	
	Number of options	A$ Weighted average exercise price	Number of options	A$ Weighted average exercise price
Balance at beginning of the financial period	4,950,150	1.3334	11,305,150	1.1674
Granted during the financial period (a)	-	-	1,350,000	1.5948
Expired/Lapsed during the financial period (b)	-	-	(185,000)	1.0081
Exercised during the financial period (c)	(1,625,000)	1.5181	(7,520,000)	1.1387
Balance at the end of the financial period (d)	**3,325,150**	**1.2432**	**4,950,150**	**1.3334**
Exercisable at the end of the financial period	3,325,150	1.2432	4,775,150	1.3139

a) Granted during the financial period

There were no options granted during the financial period.

b) Forfeited/Expired/Lapsed during the financial period

There were no options forfeited, expired or lapsed during the financial period.

c) Exercised during the financial period

31 December 2010 - Options series	Number exercised	Exercise Date	Share price at exercise date C$
Series 5	100,000	25 Oct 2010	2.85
Series 13	70,000	6 Jul 2010	2.40
	20,000	8 Jul 2010	2.42
	40,000	15 Jul 2010	2.49
	10,000	16 Jul 2010	2.41
	10,000	27 Jul 2010	2.41
	5,000	30 Jul 2010	2.46
	85,000	11 Aug 2010	2.63
	20,000	18 Aug 2010	2.75
	30,000	31 Aug 2010	2.87
	50,000	6 Sep 2010	2.88
	100,000	9 Sep 2010	2.86
	15,000	10 Sep 2010	2.89
	100,000	23 Sep 2010	2.92
	50,000	24 Sep 2010	2.93
	10,000	29 Sep 2010	2.88
	10,000	9 Nov 2010	2.99
	15,000	11 Nov 2010	3.06
	10,000	15 Dec 2010	2.51
	250,000	23 Dec 2010	2.66
Series 14	125,000	17 Dec 2010	2.58
Series 20	500,000	8 Sep 2010	2.88
	1,625,000		

30 June 2010 - Options series	Number exercised	Exercise Date	Share price at exercise date C$
Series 5	200,000	4 Aug 2009	1.7500
	250,000	19 May 2010	2.2700
	500,000	9 Jun 2010	2.3200
Series 9	25,000	1 Jul 2009	1.6600
	190,000	2 Jul 2009	1.6600
	100,000	6 Jul 2009	1.5900
	40,000	7 Jul 2009	1.5900
	50,000	8 Jul 2009	1.5000
	100,000	13 Jul 2009	1.5700
	45,000	20 Jul 2009	1.6900
	50,000	22 Jul 2009	1.6000
	40,000	14 Jan 2010	2.1600
	50,000	18 Jan 2010	2.1700
Series 10	10,000	2 Jul 2009	1.6600
	30,000	7 Jul 2009	1.5900
	130,000	8 Jul 2009	1.5000
	200,000	20 Jul 2009	1.6900
	300,000	11 Aug 2009	1.5800
	500,000	17 Sep 2009	1.6900
	790,000	15 Oct 2009	1.9100
	100,000	16 Nov 2009	2.4000
Series 12	100,000	3 Jun 2010	2.2800
	150,000	18 Jun 2010	2.5500
Series 13	70,000	13 Nov 2009	2.3400
	30,000	2 Dec 2009	2.3700
	40,000	10 Mar 2010	1.9900
	60,000	11 Mar 2010	2.0000
	45,000	26 Mar 2010	1.8500
	50,000	30 Mar 2010	1.9700
	100,000	8 Apr 2010	2.1400
	165,000	20 Apr 2010	2.0400
	40,000	23 Apr 2010	2.0300
	50,000	3 May 2010	2.1300
	155,000	4 May 2010	2.0800
	50,000	6 May 2010	2.3400
	155,000	19 May 2010	2.2700
	50,000	21 May 2010	2.0400
	450,000	26 May 2010	2.3000
	460,000	2 Jun 2010	2.3000
	195,000	9 Jun 2010	2.3200
	20,000	11 Jun 2010	2.4300
	135,000	16 Jun 2010	2.5700
Series 15	200,000	19 Apr 2010	2.0000
	300,000	16 Jun 2010	2.5700
	250,000	30 Jun 2010	2.5900
Series 20	500,000	18 Jun 2010	2.5500
	7,520,000		

d) Balance at the end of the financial period

Options series	Number	Grant date	Expiry / Exercise Date	Exercise price A$	Fair value at grant date A$	Fair value at grant date $USD
Series 13	220,000	16 Apr 2008	16 Apr 2011	1.7022	0.4015	0.3763
Series 14	125,000	25 Aug 2008	25 Aug 2011	1.1999	0.3070	0.2656
Series 17	1,000,000	19 Dec 2008	19 Dec 2011	1.0000	0.3568	0.2425
Series 18	1,630,150	15 Apr 2009	31 Dec 2012	1.2000	0.4326	0.3129
Series 19	350,000	06 Aug 2009	06 Aug 2012	1.8658	0.7960	0.6671
	3,325,150					

The weighted average remaining contractual life of options outstanding is 542 days (30 June 2010: 569 days).

28. Share warrants

The following share warrants were in existence during the current and comparative financial periods:-

Warrants series	Number	Grant date	Expiry Date	Exercise price C$	Fair value at grant date A$	Fair value at grant date USD$
Series 4	4,770,720	10 Jan 2008	23 Nov 2009	1.2000	0.3782	0.3347
Series 5	4,636,990	10 Feb 2009	10 Feb 2011	0.6500	0.4288	0.2863
Series 6	788,437	16 Jul 2009	16 Jul 2011	1.5600	0.6601	0.5287
Series 7	161,563	26 Aug 2009	26 Aug 2011	1.5200	0.5895	0.4908
	10,357,710					

Share warrants are identical in nature to share options however they are differentiated as such because the latter in Canada typically relates to options issued to employees under employee option plans.

There were no share warrants granted during the financial period. The weighted average fair value of the share warrants granted during the previous financial period was A$0.6481. The share warrants granted have been valued internally by the Company using the Black and Scholes option pricing method. Warrants were offered to the Company's share broker in Canada as part of the equity raising process during the current and prior years. The weighted average closing price of the shares in Centamin Egypt Limited for the financial year was C$2.75 (30 June 2010: C$2.03). The volatility input into the model was 75.00% based on the historical share price volatility over the past 3 years and the government rate similar to the term of the option used was 5.75%.

The below table expresses pricing in Australian Dollars. At the time of grant, the Company was listed on the Australian Securities Exchange and consequently, financial modelling and pricing structure was determined in Australian Dollars.

	Broker Warrant Series			
	Series 4	**Series 5**	**Series 6**	**Series 7**
Grant date	10 Jan 2008	10 Feb 2009	16 Jul 2009	26 Aug 2009
Grant date share price	A$1.4900	A$1.0700	A$1.7900	A$1.6850
Exercise price	A$1.3532	A$0.7888	A$1.7400	A$1.6850
Expected volatility	52.00%	70%	75.00%	75.00%
Option life	2 year term	2 year term	2 years	2 years
Dividend yield	0.00	0.00	0.00	0.00
Risk-free interest rate	5.84%	4.02%	5.75%	5.75%

The following reconciles the outstanding share warrants at the beginning and end of the financial period:

	6 months to 31 December 2010		12 months to 30 June 2010	
	Number of warrants	**Weighted average exercise price C$**	**Number of warrants**	**Weighted average exercise price C$**
Balance at beginning of financial period	-	-	9,407,710	0.9425
Granted during the financial period (a)	-	-	950,000	1.5532
Forfeited during the financial period	-	-	-	-
Exercised during the financial period (b)	-	-	(10,357,710)	0.9862
Expired during the financial period	-	-	-	-
Balance at the end of the financial period (c)	**-**	**-**	**-**	**-**
Exercisable at the end of the financial period	-	-	-	-

a) Granted during the financial period

There were no broker warrants granted during the financial period.

b) Exercised during the financial period

There were no broker warrants exercised during the financial period.

30 June 2010 Broker Warrants - Series	Number exercised	Exercise Date	Share price at exercise date C$
Series 4	329,280	6 Jul 2009	1.5900
	500,000	28 Jul 2009	1.5700
	500,000	4 Sep 2009	1.7700
	500,000	15 Sep 2009	1.7800
	500,000	23 Sep 2009	1.7300
	500,000	7 Oct 2009	1.7900
	500,000	23 Oct 2009	2.3000
	453,040	26 Oct 2009	2.1400
	988,400	23 Nov 2009	2.3600
Series 5	665,000	7 May 2010	2.3200
	1,330,000	12 May 2010	2.4600
	658,855	14 May 2010	2.4200
	1,983,135	28 Oct 2009	2.1100
Series 6	788,437	18 Jun 2010	2.5500
Series 7	161,563	23 Jun 2010	2.5000
	10,357,710		

c) Balance at the end of the financial period

There were no broker warrants on issue at 31 December 2010.

29. Key management personnel compensation

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

	Consolidated		Company	
	31 December 2010 6 months US$	30 June 2010 12 months US$	31 December 2010 6 months US$	30 June 2010 12 months US$
Short-term employee benefits	2,646,474	2,103,076	1,773,742	570,303
Long-term employee benefits	25,094	33,369	22,770	-
Post-employment benefits	56,495	77,582	56,495	77,582
Share-based payments	14,389	313,423	-	-
Total	2,742,452	2,527,450	1,853,007	647,885

Note: disclosure made in whole dollars

30. Related party transactions

a) Equity interests in related parties

Equity interests in subsidiaries
Details of the percentage of ordinary shares held in subsidiaries are disclosed in Note 21 to the financial statements.

Equity interests in associates and joint ventures
Details of interests in joint ventures are disclosed in Note 23 to the financial statements.

b) Key management personnel compensation

Details of key management personnel compensation are disclosed in Note 29 to the financial statements.

c) Key management personnel equity holdings

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

31 December 2010	Balance at 01 July 10	Granted as remuneration	Received on exercise of options	Net other change (1)	Balance at 31 December 2010	Balance held nominally
C Cowden	1,203,626	-	-	-	1,203,626	-
J El-Raghy	69,195,086	-	-	-	69,195,086	-
H S Bottomley	2,650,000	-	-	(500,000)	2,150,000	-
T Elder	250,000	-	-	-	250,000	-
H Michael	75,000	-	-	-	75,000	-
M Di Silvio	-	-	125,000	-	125,000	-
H Brown	-	-	250,000	-	250,000	-

30 June 2010	Balance at 01 July 09	Granted as remuneration	Received on exercise of options	Net other change (1)	Balance at 30 June 10	Balance held nominally
C Cowden	1,203,626	-	-	-	1,203,626	-
J El-Raghy	79,185,754	-	-	(9,990,668)	69,195,086	-
H S Bottomley	2,900,000	-	-	(250,000)	2,650,000	-
T Elder	250,000	-	-	-	250,000	-
H Michael	-	-	-	75,000	75,000	-
M Di Silvio	-	-	-	-	-	-
H Brown	200,000	-	-	(200,000)	-	-

(1) 'Net other change' relates to the on market acquisition or disposal of fully paid ordinary share.

d) Key management personnel share option holdings

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

31 December 2010	Balance at 01 July 10	Granted as remuneration	Exercised	Other changes	Balance at 31 December 2010	Balance vested during the financial period	Balance vested and exercisable at 31 December 2010
C Cowden	-	-	-	-	-	-	-
T Elder	-	-	-	-	-	-	-
T Schultz	1,000,000	-	-	-	1,000,000	-	1,000,000
J El-Raghy	-	-	-	-	-	-	-
H Bottomley	-	-	-	-	-	-	-
H Michael	-	-	-	-	-	-	-
M Di Silvio	600,000	-	125,000	-	475,000	175,000	475,000
H Brown	250,000	-	250,000	-	-	-	-

30 June 2010	Balance at 01 July 09	Granted as remuneration	Exercised	Other changes	Balance at 30 June 10	Balance vested during the year	Balance vested and exercisable at 30 June 10
S El-Raghy	-	-	-	-	-	-	-
C Cowden	-	-	-	-	-	-	-
G Speechly	-	-	-	-	-	-	-
T Elder	-	-	-	-	-	-	-
T Schultz	1,000,000	-	-	-	1,000,000	500,000	1,000,000
J El-Raghy	-	-	-	-	-	-	-
H Bottomley	-	-	-	-	-	-	-
H Michael	-	-	-	-	-	-	-
M Di Silvio	250,000	350,000	-	-	600,000	300,000	425,000
H Brown	250,000	-	-	-	250,000	-	250,000

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

e) Other transactions with key management personnel

The related party transactions for the six months ended 31 December 2010 are summarised below:

Mr J El-Raghy is a director and shareholder of El-Raghy Kriewaldt Pty Ltd ("El-Raghy Kriewaldt"). El-Raghy Kriewaldt provides office premises to the Company. All dealings with El-Raghy Kriewaldt are in the ordinary course of business and on normal terms and conditions. Rent and office outgoings paid to El-Raghy Kriewaldt during the six months ended 31 December 2010 period were US$31,983 (30 June 2010: US$58,345).

A Director of the Company, Mr C Cowden has an interest as a director and shareholder of Cowden Limited Insurance Brokers. This company provides insurance broking services to the Company. All dealings with this company are in the ordinary course of business and on normal terms and conditions. Cowden Limited was paid US$31,690 during the financial period (30 June 2010: US$65,619) for these services. In addition, amounts of US$212,742 (30 June 2010: US$396,071) were paid to Cowden Limited to be passed on to underwriters for premiums during the financial period.

f) Transactions with other related parties

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

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

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

$427,853,000 (30 June 2010: $426,293,000) are repayable to the Company by 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.

31. Subsequent events

The current political situation in Egypt has not affected the safety of the Company's employees or its day to day operations at its flagship project, Sukari. The Company remains confident that political changes occurring in Egypt will not have a material adverse impact the Company's investment. The Directors of the Company continue to monitor the situation and there are no matters to report outside of what is already publicly available.

Mr H. Stuart Bottomley retired from the Board effective 02 February 2011. Mr Mark Arnesen and Mr Mark Bankes were appointed to the Board on 24 February 2011.

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