For immediate release 1 February 2017

CENTAMIN

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

Centamin plc results for the year ended 31 December 2016

Josef El-Raghy, Chairman of Centamin, commented: "During 2016 Centamin's flagship Sukari Gold Mine continued to deliver substantial free cash flows, driven by a seventh successive year of production growth and through reductions in operating costs. This performance has allowed Centamin to maintain its strategic focus on generating shareholder returns and value-accretive growth. A significant milestone was achieved during the year, as the capital investment in the Sukari operation by Centamin's wholly-owned subsidiary Pharaoh Gold Mines ("PGM") was recovered from cash flows to the extent that profit share commenced with the Egyptian Government during the third quarter. Centamin ended the year with US$428 million in cash, bullion on hand, gold sales receivables and available-for-sale financial assets, an increase of US$197 million during the year. I am pleased to announce that a final dividend for 2016 of 13.5 US cents per share has been proposed, representing a full year pay-out of US$178 million, equivalent to approximately 70% of our net free cash flow in 2016. This follows the update to our dividend policy announced on 9 January 2017 to pay out at least 30% of our net free cash flow. This policy and the proposed full year payment for 2016 reflects our commitment to maintain strong fiscal discipline in managing our existing portfolio of assets, and to return to shareholders any cash reserves above those required to sustain Centamin's value-driven growth strategy."

Operational Highlights(1),(2)

- Production of 551,036 ounces, a 26% increase on 2015 and above the revised guidance range.
- Cash cost of production of US$513 per ounce, down from US$713 per ounce in 2015 and below the revised guidance range, driven by higher production and reductions in mine production costs, mainly due to lower fuel prices.
- All-in sustaining costs (AISC) of US$694 per ounce, down from US$885 per ounce in 2015 and below the revised guidance range, due to the factors affecting the cash cost of production.
- Record processing throughput of 11.6Mt, an increase of 9% on 2015 and above our base case forecast rate of 11Mtpa.
- Record open pit total material movement (waste plus ore) of 62.2Mt, an increase of 8% on 2015.
- Underground ore mined 1.02Mt (down 12% 2015) at a grade of 9.04g/t (up 40% on 2015), achieving a sustained annualised rate above our base case forecast of 1Mt per annum at a grade of at least 6g/t.
- 2017 guidance of 540,000 ounces of gold at US$580 per ounce cash cost of production and US$790 AISC.
- A new discovery from exploration in Côte d'Ivoire, with a maiden resource of 0.3Moz at 1.6g/t Indicated and 1.0Moz at 1.3g/t Inferred covering five prospects within a 5km radius area and remaining open at depth and along strike.
- Evaluation of results from Burkina Faso is ongoing, which will guide further drilling planned for 2017.

Financial Highlights(1),(2)

- EBITDA US$373 million, up 145% on 2015, due to higher gold prices, increased production and lower costs.
- Basic earnings per share of 18.61 US cents, up 313% on the prior year. Profit sharing with the Egyptian Mineral Resources Authority ("EMRA") commenced during Q3 2016, with earnings per share (before profit share) of 23.05 US cents, up 411% on the prior year.
- Centamin remains debt-free and unhedged with cash, bullion on hand, gold sales receivable and available-for-sale financial assets of US$428 million at 31 December 2016, up 85% (2015 US$231 million).
- Proposed final dividend of 13.5 US cents per share; total 2016 dividend payout of 15.5 US cents per share (c.US$178 million).

Legal Developments in Egypt

- The Supreme Administrative Court appeal and Diesel Fuel Court Case are both on-going. With the potential for the legal process in Egypt to be lengthy there may be a number of hearings and adjournments before decisions are reached. Any enforcement of the Administrative Court decision has been suspended pending the appeal ruling.

		Q4 2016	Q4 2015	**2016**	2015
Gold produced	ounces	**136,787**	117,644	**551,036**	439,072
Gold sold	ounces	**130,959**	117,351	**546,630**	437,571
Cash cost of production	US$/ounce	**536**	667	**513**	713
AISC	US$/ounce	**720**	842	**694**	885
Average realised gold price	US$/ounce	**1,207**	1,103	**1,256**	1,159
Revenue	US$'000	**158,307**	130,196	**687,387**	508,396

EBITDA	US$'000	**81,762**	30,589	**372,885**	152,189
Profit before tax	US$'000	**58,870**	4,747	**266,829**	58,407
Basic EPS	US cents	**5.09**	(0.19)	**18.61**	4.51
Cash generated from operations	US$'000	**69,869**	48,277	**366,295**	185,542

(1) *Cash cost of production, AISC, EBITDA and cash, bullion on hand, gold sales receivables and available-for-sale financial assets are non-GAAP measures and are defined at the end of the Financial Review.*

(2) *Basic EPS, EBITDA, cash cost of production and AISC reflect a provision against prepayments to reflect the removal of fuel subsidies which occurred in January 2012 (refer to note 12 of the financial statements for further details).*

Centamin will host a conference call and webcast on Wednesday, 1 February 2017 at 9.00am (London, UK time) to update investors and analysts on its results. Centamin will also be hosting a Capital Markets Day for analysts and investors simultaneously with the preliminary results. Participants may join the call by dialling one of the following two numbers, approximately 10 minutes before the start of the call. The live webcast will be available on Centamin's website at http://www.centamin.com/media/press-releases and on the link below.

UK Toll Free: 0800 358 6377
International Toll number: +44 (0)330 336 9411
Participant code: 7525185
Webcast link: http://vm.buchanan.uk.com/2017/centamin010217/registration.htm

A recording of the webcast will be available from 1:00pm GMT on 1 February 2017 on the website and on the link above.

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Chairman's statement

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

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

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

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

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

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

We expect the strong levels of productivity to be maintained in 2017, with forecast production of 540,000 ounces at a cash cost of production of US$580 per ounce and an all-in sustaining cost of US$790 per ounce. Ongoing optimisation of the Sukari operation, in particular within the processing and underground mining functions, continues to offer scope for further production growth and reductions in cash costs and AISC.

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

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

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

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

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

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

I would like to close by thanking all those at Sukari, in Alexandria, Burkina Faso, Côte d'Ivoire, Jersey and Perth for their efforts in 2016 as Centamin continued on its path to becoming an established, cash-generative and growing gold producer.

Your Company remains well positioned to deliver outstanding shareholder returns in the coming years. I look forward to updating you further over the course of 2017, and would welcome you to join us at our AGM, which this year will be held in Jersey on 21 March 2017.

Josef El-Raghy
Chairman

Final Dividend

The Directors proposed a final dividend of 13.5 US cents per share on Centamin plc ordinary shares (totalling approximately US$155.5 million) for a full year total of 15.5 US cents per share for a totally pay-out of US$178 million. The final dividend for 2016 will be paid to shareholders on 31 March 2017, subject to shareholder approval at the AGM to be held in Jersey on 21 March 2017. The dividend will be paid to shareholders on the register on the Record Date of 3 March 2017.

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

London Stock Exchange (T+2)
EX-DIV DATE: 2 March 2017
RECORD DATE: 3 March 2017
LAST DATE FOR RECEIPT OF CURRENCY ELECTIONS: 10 March 2017
PAY DATE: 31 March 2017

Toronto Stock Exchange (T+3)
EX-DIV DATE: 1 March 2017
RECORD DATE: 3 March 2017
PAY DATE: 31 March 2017

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

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

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

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

The last date for shareholder currency elections and dividend mandates to be received by the Company will be 10 March 2017. The currency conversion rate for those electing to receive Sterling will be based on the foreign currency exchange rates on 10 March 2017. The rate applied will be published on the Company's website on 13 March 2017.

Chief Executive Officer's report

Whilst the gold market conditions improved during the first half of 2016, Centamin remained focussed on its drive for productivity and efficiency at the Sukari Gold Mine, and undertook a growth strategy aimed at enhancing shareholder returns over the long-term.

A seventh successive year of growth in 2016 saw production of 551,036 ounces increase by 26% over 2015 and exceed the top end of our revised annual guidance range of between 520,000 and 540,000 ounces. Fourth quarter production was 136,787 ounces, an 8% reduction on the previous quarter, mainly due a lower average head grade of open pit ore of 0.85g/t (versus 1.14g/t in the third quarter), in line with the mining plan as a low-grade cutback in the east wall of the pit was developed.

Safety is a critical area of Centamin's performance and our aim is to ensure that every person returns safe at the end of each shift. Continued development of the onsite health and safety culture at Sukari has resulted in a low LTIFR for 2016 of 0.27 per 200,000 man-hours. Centamin remains committed to further improving health and safety during 2017 towards our 'zero-harm' target.

The open pit total material movement in 2016 was 62.2Mt, an increase of 8% on the prior year, due to improved mining productivity and equipment utilisation, at an average mined grade of 0.93g/t. During the third quarter of 2016, open pit mining rates had achieved our annualised base case rate of approximately 65Mt of total material movement (ore plus waste) and mined grades had progressed towards the reserve average. During Q1 2017 the open pit is scheduled to develop a low-grade east wall cutback and planned gold production will be lower than in Q4 2016. Grades are forecast to return towards the reserve average from Q2 2017 and the operation remains on a secure footing to deliver the scheduled material movements for the remaining mine life.

The underground mine delivered 1.02Mt of ore (a 12% decrease on 2015) at a grade of 9.04g/t (up 40% on 2015), achieving a sustained annualised rate in excess of our base case forecast of 1Mt per annum of ore at a grade of at least 6g/t.

The process plant also continued to operate at levels above our base case forecast rate of 11Mtpa, with 11.6Mt of ore processed in 2016 (a 9% increase on 2015). The average metallurgical recovery was 89.4%, an increase of 0.6% on 2015. Work continues to develop the potential to improve and sustain recoveries at the 90% level with increasing throughput rates.

Sukari's cost performance during 2016 provides a strong indication for the potential of the operation to generate significant free cash flow over the coming years. There was a year-on-year decrease in operating costs per tonne in both the open pit mining and processing areas, principally driven by reductions in the local diesel price during the first half of 2016, driven by international fuel price movements. During the fourth quarter, a devaluation of the Egyptian Pound versus US Dollar also had a positive impact on local costs.

As a result of these factors, the cash cost of production of US$513 was below guidance of between US$530 and $550 per ounce. The AISC of US$694 was similarly below guidance of between US$720 and $750 per ounce, despite an increase in sustaining capital expenditure of US$27m (a 74% increase on 2015), mainly due to a planned increase in fleet maintenance costs.

Centamin had previously elected to make advance payments against future profit share from 2013 onwards, to demonstrate goodwill towards the Egyptian government. The total value of these payments, amounting to US$28.75 million, was recovered against entitlement to profit share by the EMRA. To the end of 2016, further distributions of profit share amounting to a total of US$18.5m had subsequently been made to EMRA. Both EMRA and PGM will benefit from advance distributions of profit share on a proportionate basis in accordance with the terms of the Concession Agreement and considering ongoing cash flows, historic costs that are still to be recovered and any future capital expenditure.

Free cash flow generation from Sukari of approximately US$200 million has further strengthened Centamin's financial position during 2016, a trend we expect to continue as we forecast 2017 production of 540,000 ounces at a cash cost of production of US$580 per ounce and an all-in sustaining cost of US$790 per ounce. This guidance is based on a plant throughput of 11.75Mt and approximately 1Mt of underground ore mined at a grade of 7.26g/t.

Ongoing optimisation of the processing and mining operations continues to offer scope for further increases in productivity and production growth. At the underground mine, we see potential for further increases in mined tonnages whilst retaining a priority on stable grade delivery. The additional shareholder value that can be gained through improving the delivery of high-grade underground ore has the potential to be significant and requires no material capital expenditure. At the process plant, further planned upgrades to the secondary crushing circuit with an estimated capital cost of c.US$6 million offer the potential for throughput rates to exceed 12Mtpa. In parallel with these productivity improvements, there remains scope for lower unit costs as the expanded operation continues to be optimised and further efficiency gains are realised.

We expect further growth of the Sukari reserve over the coming years as underground development and exploration continues, and the numerous regional prospects are evaluated. An updated resource and reserve estimate for Sukari is expected in 2017.

The objective of our producing asset, as always, is to generate substantial free cash flow even under challenging gold price assumptions. In line with our updated dividend policy, and supported by the board's proposal for a final 2016 dividend of 13.5 US cents per share (equating to a full year dividend of 15.5 US cents per share), we intend to return at least 30% of this cash flow to our shareholders. The remaining cash flows are allocated towards our medium and long-term objective of organic growth, which is aimed at realising incremental shareholder value and returns.

We remain committed to our disciplined approach to capital allocation, as well as the potential for exploration to deliver significant shareholder value over the long-term. Results from our programmes in Burkina Faso and Côte d'Ivoire continue to build momentum and warrant further investment, and we again exit the year with a robust financial and operating base on which to continue delivering our growth strategy.

Exploration at Sukari continues to prioritise extensions of the high-grade underground resource and reserve, as the development and drilling extends along strike and at depth. We expect to continue to deliver positive news in line with our strong results to date and a further resource and reserve update is planned during 2017.

During August we began development of a new exploration decline within the north-eastern Cleopatra zone of Sukari Hill. The total project expenditure is expected to be US$11.5 million, of which US$3 million has been spent to date. A portal has been established and approximately 900 metres of development completed to the end of the year. Initial exploration drilling has commenced to target multiple zones of high-grade mineralisation, as interpreted from existing data. The initial project is aimed at developing infrastructure with the capacity to support mining rates of up to 1Mtpa from this area. Ultimate production rates will depend on future results from the programme and further development, and would be in addition to the current 1Mtpa underground ore production from the Amun and Ptah declines.

In Côte d'Ivoire, exploration drilling over targets defined by geochemical and geophysical surveys has led to a new discovery at the Doropo project in the northeast of the country, adjacent to our licence holding across the border in Burkina Faso. A maiden resource of 0.3Moz at 1.6g/t Indicated and 1.0Moz at 1.3g/t Inferred has been estimated from drilling results over five prospects within a 5km radius area. Preliminary metallurgical test work has returned positive results, indicating mineralisation is amenable to conventional leaching. Mineralisation at these prospects remains open along strike and at depth and drilling in 2017 will focus on expanding and upgrading this initial resource in these areas. Regional exploration will also continue to test existing and new prospects for laterally extensive and near-surface mineralisation. We have continued to expanded our portfolio of highly prospective licence holdings in Côte d'Ivoire and, with licence applications pending, we expect to increase this further during 2017.

In Burkina Faso, exploration during 2016 continued to test the potential for lateral and depth extensions of the more advanced targets, with priority on the Wadaradoo and Napalapera prospect areas. We continue to evaluate the results from these programmes, and the resulting interpretation will guide further drilling to be carried out in 2017. There remains potential to add significant shareholder value from this district-scale licence holding as we continue to make progress towards developing our next stage of growth in West Africa.

We expect a total exploration expenditure of c. US$25 million in 2017, split between Côte d'Ivoire and Burkina Faso. In line with our overall exploration strategy, the actual expenditure on these projects is results driven and the current estimated expenditures are therefore subject to ongoing revisions.

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

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

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

We welcome Ross Jerrard who was appointed as our new Chief Financial Officer ("CFO"). Ross joined Centamin from Deloitte Australia. He has worked in Southern Africa and the Middle East, including a three-and-a-half-year period based in Egypt, servicing a range of multinational and natural resources companies. I am pleased to report that during his first year as CFO, Ross has overseen continued improvements in the Company's financial control and reporting functions.

Finally, I would like to thank all my colleagues for their hard work over the years including the employees onsite at Sukari, those on the exploration sites in Burkina Faso and Côte d'Ivoire as well as those in the corporate and administration offices in Jersey and Australia. I would also like to thank your board of directors for their continued support and I am very much looking forward to another prosperous year for Centamin and its stakeholders in 2017.

Andrew Pardey
Chief executive officer

OPERATIONAL REVIEW

In this section we feature our operational performance and exploration review for 2016.

Health and safety – Sukari

The Lost Time Injury Frequency Rate ("LTIFR") for 2016 was 0.27 per 200,000 man hours (2015: 0.12 per 200,000 man hours), with a total of 5,187,635 man hours worked during 2016 (2015: 5,032,828). Continued development of the onsite health and safety culture has resulted in improved reporting of incidents.

Centamin remains committed to further improving health and safety during 2017 towards our zero harm target.

Open pit

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

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

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

Underground mine

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

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

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

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

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

Processing

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

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

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

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

OPERATIONAL REVIEW

An expansion of the secondary crusher system is planned during 2017, with an expected capital cost of US$6 million. This is expected in due course to increase the grinding capacity of Plant 1, and thus lead to further overall plant throughput increases to above 12Mtpa.

Sukari Gold Mine production summary	**Year ended 31 December 2016**	**Q4 2016**	Year ended 31 December 2015	Q4 2015
Open pit mining				
Ore mined[1] ('000t)	**10,949**	**2,183**	8,746	2,229
Ore grade mined (g/t Au)	**0.93**	**0.85**	0.75	0.77
Ore grade milled (g/t Au)	**0.95**	**0.85**	0.78	0.75
Total material mined ('000t)	**62,238**	**15,810**	57,766	13,754
Strip ratio (waste/ore)	**4.68**	**6.24**	5.6	5.17
Underground mining				
Ore mined from development ('000t)	**454**	**103**	560	151
Ore mined from stoping ('000t)	**565**	**125**	598	149
Ore grade mined (g/t Au)	**9.04**	**10.43**	6.47	7.05
Ore processed ('000t)	**11,559**	**2,948**	10,575	2,758
Head grade (g/t)	**1.65**	**1.62**	1.40	1.47
Gold recovery (%)	**89.4**	**89.9**	88.8	88.5
Gold produced – dump leach (oz)	**9,872**	**2,550**	15,642	3,417
Gold produced – total[2] (oz)	**551,036**	**136,787**	439,072	117,644
Cash cost of production[3][4] (US$/oz)	**513**	**536**	713	667
Open pit mining	**179**	**198**	243	232
Underground mining	**43**	**46**	46	42
Processing	**253**	**254**	367	338
General and administrative	**38**	**38**	56	54
Gold sold (oz)	**546,630**	**130,959**	437,571	117,351
All-in sustaining cost (US$/oz)[4]	**694**	**720**	885	842
Average realised sales price (US$/oz)	**1,256**	**1,207**	1,159	1,103

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

Exploration

Sukari

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

Selected underground drilling results received during the year (including from the fourth quarter), include the following:

Amun

Hole number	Interval (m)	Au (g/t)
UGRSD0064	1.1	30.6
UGRSD0082	2.6	108.2
UGRSD0201	9.5	78.4
UGRSD0229	18.4	12.6
UGRSD0237	4.0	56.5

Ptah

Hole number	Interval (m)	Au (g/t)
UGRSD0155	6.3	13.6
UGRSD0585	2.3	110.7
UGRSD0589_W1	3.0	40.0
UGRSD0708_W1	2.0	160.8
	0.4	22.8
	1.8	73.4

UGRSD0714_W1	3.0	147.6
UGRSD0596	2.8	65.1
UGRSD0710	2.2	88.3
UGRSD0713	3.0	87.8
UGRSD0716	0.7	2745.0
UGRSD0614	2.3	43.0
UGRSD0615	3.0	47.5
UGRSD0609	1.4	313.5
UGRSD0618	1.0	61.5
UGRSD0720	1.0	28.1

Cleopatra

Hole number	Interval (m)	Au (g/t)
CRSD001	6.7	3.1
INCLUDING	0.7	6.2
CRSD002	4.5	5.9
	0.5	20.1

Cleopatra Exploration Decline

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

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

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

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

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

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

Côte d'Ivoire

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

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

OPERATIONAL REVIEW

Mineral Resource for Côte d'Ivoire

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

0.8 g/t cut off						
	Indicated			Inferred		
	Mt	Au g/t	Au koz	Mt	Au g/t	Au koz
Souwa	2.37	2.19	167	6.7	1.9	409
Nokpa	1.5	1.97	95	2.3	1.7	126
Chegue	-	-	-	0.5	1.2	19
Kekeda	-	-	-	2	1.6	103
Han	-	-	-	2.6	1.6	134
Total	**3.87**	**2.1**	**262**	**14**	**1.74**	**791**

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

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

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

OPERATIONAL REVIEW

Nokpa significant mineralised RC and DD drill intersections

Hole ID	From (m)	Interval (m)	Au (g/t)
DPRC0191	41	10	3.3
DPRC0192	36	10	10.1
DPRC0192	68	14	4.3
DPRC0193	82	11	5.0
DPRC0194	122	16	3.3
DPRC1051	13	7	11.1
DPRC1052	22	5	5.4
DPRC1053	99	5	6.9
DPRC1057	112	5	8.5
DPRC1065	74	24	2.6
DPRC1066	124	20	2.0
DPRC1069	170	12	4.8
DPRC1138	118	22	1.6
DPRC1139	127	14	2.7
DPRD1070	159	13	2.3
DPRD1140	153.7	17.3	1.7
DPRD1143	149.9	12.1	2.3
DPRD1145	210.6	15.9	2.2

At the Souwa prospect, mineralisation has been tested over a 1,700m strike length and 200m vertical depth. Several large high-grade mineralised shoots are hosted by a shallow-dipping shear zone.

Souwa significant mineralised RC and DD drill intersections

Hole ID	From (m)	Interval (m)	Au (g/t)
DPRC0039	44	10	22.0
DPRC0041	73	17	2.3
DPRC0042	21	33	2.2
DPRC0061	11	20	3.0
DPRC0173	96	17	4.7
DPRC0185	42	6	4.0
DPRC0487	52	14	4.5
DPRC1047	219	8	9.0
DPRC1083	91	14	3.1
DPRC1086	35	17	3.5
DPRC1088	83	21	2.6
DPRC1089	105	21	6.8
DPRC1091	11	17	2.3
DPRC1099	113	7	6.2
DPRC1100	27	12	3.4
DPRC1108	47	26	8.4
DPRC1109	73	17	2.5
DPRC1110	109	12	2.5
DPRC1114	42	6	11.0
DPRC1116	140	10	6.0
DPRC1118	61	5	11.3
DPRC1120	78	14	6.2
DPRC1121	98	22	5.4
DPRC1124	101	10	5.1
DPRC1126	48	11	6.0
DPRC1162	14	19	10.5
DPRD0503	149	9	3.0
DPRD1037	223	6	11.3

OPERATIONAL REVIEW

The Kekeda and Han prospects are both well-defined shallow dipping shear zones showing a high sulphide content associated with strong sericite-silica alterations.

Han and Kekeda significant mineralised RC and DD drill intersections

Prospect	Hole ID	From (m)	Interval (m)	Au (g/t)
Han	DPRC0198	16	10	5.3
Han	DPRC0226	129	7	3.9
Han	DPRC0228	108	9	2.5
Han	DPRC0235	70	10	5.4
Han	DPRC0433	30	4	51.2
Han	DPRC0434	54	14	2.4
Han	DPRC0454	86	10	2.1
Han	DPRC0465	74	10	3.0
Han	DPRC0566	23	5	8.0
Han	DPRC0570	23	11	16.9
Kekeda	DPRC0018	36	7	5.7
Kekeda	DPRC0019	0	7	5.0
Kekeda	DPRC0525	10	10	3.9
Kekeda	DPRC0535	50	14	4.0
Kekeda	DPRC0540	64	9	2.7
Kekeda	DPRC0561	71	9	4.2

The other tested prospects also returned significant results during the year, which will be followed up by further drilling in 2017.

Other prospects with significant mineralised RC and DD drill intersections

Prospect	Hole ID	From (m)	Interval (m)	Au (g/t)
Atirré	DPRC0347	44	5	8.8
Chegue	DPRC0393	10	8	8.8
Chegue	DPRC0475	53	9	2.9
Chegue	DPRC0477	38	12	3.1
Chegue	DPRC0478	6	8	3.9
Dilly	DPRC0264	86	2	10.1
Dilly	DPRC0265	72	4	3.2
Enioda	DPRC1016	136	7	3.0
Enioda	DPRC0107	30	9	3.1
Enioda	DPRC0129	24	9	3.3
Enioda	DPRC0110	76	17	1.8
Hinda	DPRC0343	94	3	15.5
Solo	DPRC0206	53	8	5.8
Solo	DPRC0209	112	4	5.0

Summary details in relation to the HSES aspects of exploring in Côte d'Ivoire are set out in the CSR report.

Burkina Faso

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

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

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

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

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

Wadaradoo significant mineralised RC and DD drill intersections, downhole

Hole ID	From (m)	Interval (m)	Au (g/t)
WDRC0564	216	6	11.0
WDRC0143	114	4	15.7
WDRC0670	81	9	3.0
WDRC0671	130	6	13.3
WDRC0763	58	15	2.3
WDRD0592	353	11	3.0
WDRD0598	98	2	19.2
WDRC0941	3	20	2.9
WDRC0970	156	5	15.1
WDRD0350	147	23	3.4
WDRC1300	238	8	3.9
WDRC0238	41	19	3.1
WDRC0971	143	9	4.4
WDRD0349	198	7	6.5
WDRD1408	292	12	3.4
WDRD0491	270	19	3.3
WDRD1230	201	2	42.1

At Napelepera, our exploration licence holdings were extended to the Côte d'Ivoire border. Gold mineralisation at this prospect area is typically hosted within a broad alteration halo around the main NE-SW structure. Cross-cutting structures 'compartmentalise' the granodiorite host rock into broad dilation zones of higher-grade mineralisation along the main structural trend. This trend was drilled out to the southwest, where higher grades are observed, with drilling covering a strike length of over 4km. Mineralisation remains open at depth.

Napelapera significant mineralised RC and DD drill intersections, downhole

Hole ID	From (m)	Interval (m)	Au (g/t)
NPRD449	120	6	2.1
NPRD457	127	3	5.6
NPRD459	107	4	3.3
NPRC468	38	10	1.8
NPRD455W1	118	4	51.6
NPRD471	150	6	8.4
NPRD472	170	17	3.6
NPRD480	234	10	1.9
NPRC487	50	4	17.5
NPRD511	261	19	2.0
NPRD546	181	6	3.8

OPERATIONAL REVIEW

The Poni prospect on the Danhal permit consists of a narrow 600m-length mineralised structure, which is open to the north and south and at depth. Initial drilling was conducted in early 2016. At Tiopolo, a small narrow mineralised structure has been identified over a strike length of 450m, with consistent mineralisation which is open along strike and at depth. Follow- up work is planned in these areas.

Significant mineralised RC and DD drill intersections, downhole, from Farmstead, Poni, Tokera and Tonior prospects

Prospect	HoleID	From (m)	Interval (m)	Au (g/t)
PONI	PNRC049	24	2	5.5
PONI	PNRC048	2	3	2.1
PONI	PNRC053	16	3	1.6
PONI	PNRC053	29	4	4.3
PONI	PNRD047	49	2	1.5
PONI	PNRD047	57	5	4.5
PONI	PNRD012	80	8	3.0
PONI	PNRD046	56	15	1.0
TIOPOLO	TIAC3259	7	2	2.0
TIOPOLO	TIRC146	91	4	1.2
TIOPOLO	TIRC173	19	3	3.5
TIOPOLO	TIRC178	76	3	3.1

Continuous updates and improvements in our Health and Safety management systems are being implemented into our operations in Burkina Faso. This process includes an orientation and induction for employees and contractors to ensure adherence to our strict policies and procedures. The Batie West camp site has a well-equipped clinic managed by International Medical Company ISOS which includes a full-time paramedic. Summary details in relation to the HSES aspects of exploring in Burkina Faso are set out in the CSR report.

FINANCIAL REVIEW

Centamin has continued to return strong earnings and cash flow generation.

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

Now in its seventh year of production, the Sukari Gold Mine remains highly cash generative and this is reflected in the group's financial results for the year ended 31 December 2016:

- 2016 revenues of US$687.4 million were up 35% year on year with an 8% increase in realised gold prices and a 25% increase in gold sales;
- cash costs decreased to US$513 per ounce produced from US$713 in 2015, driven predominantly by the decrease in fuel price and other cost savings, as well as higher production than originally forecast;
- AISC of US$694 per ounce sold was below our forecast of US$720-750 per ounce mainly due to the higher gold production base and the rescheduling of certain capital cost items;
- EBITDA increased by 145% to US$372.9 million, mainly due to higher gross operating margins as a result of the gold price and also a decreased production cost associated with net changes in production inventories;
- profit before tax increased by 357% to US$266.8 million, due to the factors above;
- earnings per share before profit share of 23.05 US cents were up 412% on 4.51 US cents per share in 2015; and
- operational cash flow of US$366.3 million was 97% higher than 2015, due to the higher gold production base, gold prices and much lower cost base achieved.

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

Centamin remains committed to its policy of being 100% exposed to the gold price through its unhedged position, and maintained a healthy cash, bullion on hand, gold sales receivables and available-for-sale financial assets balance of US$428 million as at 31 December 2016.

Revenue

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

Cost of sales

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

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

Other operating costs

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

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

FINANCIAL REVIEW

Finance income

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

Profit before tax

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

Tax

The group operates in several countries and, accordingly, it is subject to, the various tax regimes in the countries in which it operates.

	31 December 2016 US$'000	31 December 2015 US$'000
Profit before income tax	**266,829**	58,407
Tax expense calculated at 0% (2015: 0%) of profit before tax	**-**	-
Tax effect of amounts which are not deductible/taxable in calculating taxable income:		
Effect of tax different tax rates of subsidiaries operating in other jurisdictions	**(821)**	(6,837)
Tax expense for the year	**(821)**	(6,837)

Earnings per share

Earnings per share (after profit share) of 18.61 US cents compare with 4.51 US cents in 2015. The increase was driven by the factors outlined above.

Comprehensive income

Other comprehensive income movement was the result of the revaluation of available-for-sale financial assets.

Financial position

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

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

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

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

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

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

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

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

FINANCIAL REVIEW

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

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

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

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

Capital expenditure

The following table provides a breakdown of the total capital expenditure:

	31 December 2016 US$ million	31 December 2015 US$ million
Operational fleet expansion	**-**	4.5
Total expansion – Sukari	**-**	4.5
Underground mine development – Sukari(1)	**39.9**	31.4
Other sustaining capital expenditure	**23.7**	5.1
Total sustaining	**63.6**	36.5
Exploration capitalised (2)	**49.5**	34.4

1) Includes underground exploration drilling

2) Includes expenditure in West Africa (US$39 million) and Sukari underground (US$10.5 million of which US$7.5 million is included in AISC).

Diesel Fuel Dispute

The group is currently involved in a dispute regarding the price at which Diesel Fuel Oil ("DFO") is supplied to the Sukari mine. The nature of this dispute is set out more fully in note 21. However, in brief, in January 2012 the group was told by its fuel supplier (acting on the instruction of the Egyptian General Petroleum Corporation ("EGPC")), that it would no longer be able to receive DFO at local (subsidised) prices. The group subsequently received a demand from its fuel supplier for repayment of subsidies received from 2009.

The group has issued court proceedings in relation to these demands. However, the group has, since January 2012, had to pay the full international price for DFO to ensure continuity of supply. The group remains of the view that an instant move to international prices is not a reasonable outcome and will look to recover funds advanced thus far should the court proceedings be concluded in its favour. Management recognises the practical difficulties associated with reclaiming funds from the government and for this reason has fully provided against the prepayment of US$231.2 million to 31 December 2016 of which US$24.6 million was provided for during 2016 as follows:

	31 December 2016 US$'000	31 December 2015 US$'000
Included in cost of sales:		
Mine production costs	**(22,844)**	(43,808)
Movement in inventory	**(1,784)**	(2,931)
	(24,628)	(46,739)

Cash flows

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

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

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

Exchange rates

Effects of positive exchange rate changes have increased by US$6.5 million as a result of movements of some of the functional currencies used within the operation in the year.

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

EMRA

A significant milestone was achieved during the year, as the capital investment in the Sukari operation by Centamin's wholly-owned subsidiary Pharaoh Gold Mines ("PGM") was recovered from cash flows to the extent that profit share commenced during the third quarter. Centamin had previously elected to make advance payments against future profit share from 2013 onwards, to demonstrate goodwill towards the Egyptian government. The total value of these payments, amounting to US$28.75 million, were recovered against entitlement to profit share by the Egyptian Mineral Resources Authority ("EMRA"). To the end of 2016, further distributions of profit share amounting to a total of US$18.5 million had subsequently been paid to EMRA with another US$4 million accrued at year end. Both EMRA and PGM will benefit from advance distributions of profit share on a proportionate basis in accordance with the terms of the Concession Agreement and considering ongoing cash flows, historic costs that are still to be recovered and any future capital expenditure.

Ross Jerrard
Chief financial officer

1 February 2017

Non-GAAP financial measures

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

(1) EBITDA

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

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

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

Reconciliation of profit before tax to EBITDA

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

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

(2) Cash cost per ounce calculation:

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

Reconciliation of cash cost per ounce

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

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

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

Reconciliation of AISC per ounce

		Year ended 31 December 2016[1]	Year ended 31 December 2015[1]
Mine production costs (note 6)	US$'000	**288,317**	314,827
Royalties	US$'000	**20,575**	15,198
Corporate and administration costs	US$'000	**13,521**	14,533
Rehabilitation costs	US$'000	**581**	369
Underground development	US$'000	**39,864**	31,409
Other sustaining capital expenditure	US$'000	**23,762**	5,145
By-product credit	US$'000	**(1,080)**	(1,433)
Change of inventories	US$'000	**(5,910)**	7,476
All-in sustaining costs[2]	US$'000	**379,630**	387,524
Gold sold – total	(oz)	**546,630**	437,571
AISC per ounce	(US$/oz)	**694**	885

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

(3) Cash and cash equivalents, bullion on hand, gold sales receivables and available-for-sale financial assets:
This is a non-GAAP financial measure any other companies may calculate these measures differently.

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

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

PAYMENTS TO GOVERNMENT

The Reports on Payments to Governments Regulations ("the Regulations") came into force on 1 December 2014. Whilst the Regulations are part of UK law, they apply to the Company by virtue of its listing on the London Stock Exchange (pursuant to Disclosure and Transparency Rule 4.3A). The Regulations require companies active in the extractive industries to report any payments they have made to their host governments in the form of taxes, bonuses, royalties, fees and support for infrastructure payments. The Regulations implement Chapter 10 of the EU Accounting Directive. The Regulations are part of an EU-wide effort to curb corruption and promote transparency in the energy and extractives sector. Their stated objectives are to provide citizens of resource-rich countries with the information they need to hold their governments to account; and to provide greater insight (for investors and all other stakeholders) into how the sector operates and the range of economic contributions that can result.

The Regulations require disclosure of the following:

a) production entitlements;

b) taxes levied on the income, production or profits of companies, excluding taxes levied on consumption such as value added taxes, personal income taxes or sales taxes;

c) royalties;

d) dividends, other than dividends paid to a government as an ordinary shareholder unless they are paid in lieu of a production entitlement or royalty;

e) signature, discovery and production bonuses;

f) licence fees, rental fees, entry fees and other considerations for licences and/or concessions; and

g) payments for infrastructure improvements.

Where a payment or series of related payments do not exceed £86,000 they do not need to be disclosed but, in the interests of transparency, the Company has included these costs.

The Company is also subject to equivalent Canadian legislation - the Extractive Sector Transparency Measures Act (ESTMA) which came into force on June 1, 2015. Canada's requirements are aligned with those in the EU Directive and this report is deemed equivalent for Canadian purposes.

Payments in this report have been disclosed in US dollars which is the Company's reporting currency. Where actual payments have been made in a local currency they have been converted using the prevailing exchange rate at the time of the payment.

Summary table showing payments to governments made during the year ended 31 December 2016 in US$

Type	Notes	Egypt	Burkina Faso	Côte d'Ivoire	Australia	Total
Profit Share	(i)	18,503,333	-	-	-	**18,503,333**
Corporate taxes	(ii)	621,956	-	-	7,599,793	**8,221,749**
Royalties		17,314,743	-	-	-	**17,314,743**
Exploration licence fees		-	22,468	70,353	-	**92,821**
Mining and other licence fees		231,536	776,153	-	-	**1,007,689**
Infrastructure improvements	(iii)	1,095,868	-	-	-	**1,095,868**
	(iv)	**37,767,436**	**798,621**	**70,353**	**7,599,793**	**46,236,203**

(i) With a view to demonstrating goodwill towards the Egyptian government, Centamin (through its subsidiary PGM), made advance payments to the Egyptian Mineral Resources Authority (EMRA) totalling US$28,750,000 between 2013 and 2016. These payments have since been netted off against profit share with EMRA. The balance represents the cash amount paid to EMRA during the period.

(ii) In accordance with the Regulations, this figure excludes taxes levied on consumption such as VAT, personal income or sales taxes. The Australian tax payment relates to foreign exchange gains realised that were assessable for tax.

(iii) This is the value of generators donated to the Marsa Alam power station

(iv) Other types of payments that are required to be disclosed in accordance with the Regulations include production entitlements; signature, discovery and production bonuses; and dividends. The Company and its subsidiaries did not make any such payments to governments during the year.

PAYMENTS TO GOVERNMENT

Payments split by payee during the year ended 31 December 2016 in US$

Country	Notes	Payee	Royalties	Profit share	Taxes	Licence or permit fees	Other	Total
Egypt: Sukari project		Arab Republic of Egypt	-	18,503,333	-	-	-	**18,503,333**
		EMRA	17,314,743	-	-	-	-	**17,314,743**
		Egyptian Tax Authority	-	-	621,956	-	-	**621,956**
		Other payees	-	-	-	231,536	1,095,868	**1,327,404**
Burkina Faso: Konkera project	(i)	Ministry of Mines	-	-	-	776,153	-	**776,153**
		Burkina Faso Tax Office	-	-	-	-	-	**-**
Burkina Faso: Exploration projects		Ministry of Mines	-	-	-	22,468	-	**22,468**
		Burkina Faso Tax Office	-	-	-	-	-	**-**
Côte d'Ivoire: Exploration projects	(i)	Ministry of Mines	-	-	-	70,353	-	**70,353**
		Côte d'Ivoire Tax Office	-	-	-	-	-	**-**
Australia: Corporate		Australian Tax Office	-	-	7,599,793	-	-	**7,599,793**
			17,314,743	**18,503,333**	**8,221,749**	**1,100,510**	**1,095,868**	**46,236,203**

(i) In accordance with the definition of 'project' in the Regulations, the Company treats its exploration licence holding areas in Côte d'Ivoire and Burkina Faso as one project each for the purposes of the Regulations. This is because the licence areas are operationally and geographically linked.

PRINCIPAL RISKS AFFECTING THE GROUP

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.

Set out below are the Company's principal risks and uncertainties for the year ended 31 December 2016 which relate to:

- **Single project dependency**
  The Sukari Project currently constitutes Centamin's main mineral resource and sole mineral reserve and near-term production and revenue. The resource in Burkina Faso is not currently of a sufficient size to convert into a reserve. Until further production growth beyond Sukari is identified the potential impact remains high and safeguarding the project is paramount to the Company.
- **Sukari Project joint venture risk and relationship with EMRA**
  Whilst Centamin retains control over the project, the joint venture holding company, Sukari Gold Mines ("SGM"), is jointly owned with EMRA with equal board representation from both parties. The board of SGM operates by way of simple majority. As such, should the board of SGM be unable to reach consensus on a matter requiring board level approval or in the event of any dispute that may arise which can't otherwise be amicably resolved, arbitration or other proceedings may need to be employed to resolve any disputes. The successful management of the Sukari gold mine is in part dependent on maintaining a good working relationship with EMRA. The group has regular meetings with officials from EMRA and invests time in liaising with relevant ministry and other governmental representatives.
- **Gold price and currency exposure**
  The extent of the Company's financial performance is due in part to the price of gold, which the Company has no influence over. Revenues from gold sales are in US dollars and Centamin has exposure to costs in other currencies including Egyptian pounds, Australian dollars and sterling. Centamin manages its exposure to gold price by keeping operating costs as low as possible.
- **Jurisdictional taxation exposure**
  The group's corporate structure includes operational activity in Egypt and West Africa held through holding companies in Australia and the United Kingdom. Exposure to changing cross jurisdictional tax legislation could have an adverse effect of the Company's ability to repatriate revenues.
- **Political risk – Sukari**
  The Company's operational activities are primarily in Egypt a country which has been subject to civil and military disturbance. Future political and economic conditions in Egypt could change with future governments adopting different policies that may impact the development and ownership of mineral resources. Policy changes and licencing may also impact the use of explosives, tenure of mineral concessions, taxation, royalties, exchange rates, environmental protection, labour relations, repatriation of income and capital. Changes may also impact the ability to import key supplies and export gold. The potential for serious impact should be balanced against the Egyptian government's support of Centamin's investment and contribution to both revenue and development of the mining industry. New laws have been introduced to protect and therefore encourage foreign investment which is a positive step for the country. Law no. 32 has been confirmed by Parliament, although it remains subject to a challenge in the Supreme Court.
- **Political risk – West Africa**
  The Company operates in Burkina Faso and Côte d'Ivoire. There are no assurances that future political and economic conditions in these countries will not result in the governments adopting different policies in respect to foreign development and ownership of exploration and exploitation licences.
- **Reserve and resource estimations**
  Mineral resource and reserve figures are prepared by Centamin personnel and reviewed by externally appointed independent geologists. By their nature, mineral resources and reserves are estimates based on a range of assumptions, including geological, metallurgical technical and economic factors. Other variables include expected costs, inflation rates, gold price and production outputs. There can be no guarantee that the anticipated tonnages or grades expected by Centamin will be achieved both from the underground operation or open pit.
- **Exploration development**
  Time and costs of exploration activity are recognised as exploration and evaluation assets (E&E Assets) on the balance sheet. E&E Assets continue to be carried on the balance sheet where there is ongoing planned activity and the right of tenure is current. There can be no guarantee that an exploration project progresses to an economic resource and therefore there remains a risk that E&E Assets are partially or fully impaired during a financial period where either a decision is made to discontinue a project or no further activity is scheduled.
- **Failure to achieve production estimates**
  Centamin prepares annual estimates for future gold production from the Sukari Gold Mine. There can be no assurance that Centamin will achieve its production estimates and such failure could have a material and adverse effect on Centamin's future cash flows, profitability, results of operations and financial condition. It should be specifically noted that the potential quantity and grade from the Sukari underground mine is conceptual in nature, that there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the target being delineated as a mineral resource.

PRINCIPAL RISKS AFFECTING THE GROUP

- **Litigation risks**
  Centamin's finances, and its ability to operate in Egypt, may be severely adversely affected by current and any future litigation proceedings and it is possible that further litigation could be initiated against Centamin at any time. Centamin is currently involved in litigation that relates both to (a) the validity of its exploitation lease at Sukari and (b) the price at which it can purchase Diesel Fuel Oil.

Of the principal risks set out above, exploration development has been categorised as a principal risk this year. All other principal risks are the same as previously disclosed in the 2015 annual report and accounts.

Centamin takes a number of measures to mitigate risks associated with its underlying operational and exploration activity which are monitored and evaluated regularly. Due to the nature of these inherent risks, it is not possible to give absolute assurance that mitigating actions will be wholly effective. The Company is exposed to changes in the economic environment through its operations in Egypt, as well as its operations in West Africa (Burkina Faso and Côte d'Ivoire). Relationships with governments and the maintenance of exploration permits and licence areas remain key risks and key focus for all exploration, development and operational projects.

One of the Company's main objectives is to achieve a target of zero injuries and for every employee to be safe every day. The control environment and operating practices in place at the mining and exploration operations helps reduce the likelihood of harm to employees. Centamin is committed to attracting, energising, developing and training its workforce to ensure they are highly skilled and motivated.

Centamin recognises the value of being a socially responsible employer and the importance of engaging with the wider community in the areas in which it operates. By investing in the community and engaging in projects that directly and positively impact local people, Centamin can foster a cooperative working environment.

DIRECTORS’ RESPONSIBILITIES

Directors’ responsibilities in respect of the annual report and financial statements

The directors are responsible for preparing the annual report[(1)] and financial statements in accordance with the Companies (Jersey) Law, 1991 (the “Law”) and applicable laws and regulations. The Law requires the Company to prepare financial statements in accordance with generally accepted accounting principles and the Company has chosen to prepare the accounts in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union and applicable law.

Under the Law, the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the group and of the profit or loss of the group for that period. In preparing these financial statements, accounting standards require that directors:

- select suitable accounting policies and apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity’s financial position and financial performance; and
- make an assessment of the Company’s ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and Company’s transactions and disclose with reasonable accuracy at any time the financial position of the group and Company and enable them to ensure that the financial statements comply with the Law. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company’s website. Due to the Company’s place of incorporation and its dual listing, it is subject to legislation in the United Kingdom, Canada and Jersey governing the preparation and dissemination of financial statements, which may differ from legislation in other jurisdictions.

The directors are also responsible for the preparation of the strategic report (including the business model and risk management report), directors’ report, directors’ remuneration report, nomination report and corporate governance statement. These reports are contained within the annual report and financial statements.

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

The directors consider that the annual report and financial statements, when taken as a whole, are fair, balanced and understandable and provides the information necessary for shareholders to assess the Company’s position and performance, business model and strategy. The directors have undertaken a robust assessment of the principal risks impacting the Company. The assessment identified strategic and operational risks at a corporate level and principal risks impacting our operations in Egypt and West Africa.

The board receives written assurances from the CEO and CFO that to the best of their knowledge and belief, the group’s financial position presents a true and fair view and that the financial statements are founded on a sound system of risk management, internal compliance and control. Further, they confirm that the group’s risk management and internal compliance is operating efficiently and effectively. The board recognises that internal control assurances from the CEO and CFO can only be reasonable rather than absolute, and therefore they are not and cannot be designed to detect all weaknesses in control procedures.

The financial statements have been audited by the independent audit and accounting firm, PricewaterhouseCoopers LLP, who were given unrestricted access to all financial records and related information, including minutes of all shareholder, board and committee meetings.

The financial statements were approved by the board of directors on 1 February 2017 and signed on their behalf by:

Andrew Pardey
Chief executive officer

1 February 2017

Ross Jerrard
Chief financial officer

1 February 2017

(1) The annual report is due to be released on 20 February 2017.

Set out below are the audited consolidated Financial Statements for the Group, including notes thereto, for the year ended 31 December 2016. The independent auditors report on these Financial Statements was unmodified.

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2016

	Notes	**31 December 2016 US$'000**	31 December 2015 US$'000
Revenue	5	**687,387**	508,396
Cost of sales	6	**(389,276)**	(416,242)
Gross profit		**298,111**	92,154
Other operating costs	6	**(32,077)**	(27,722)
Impairment of exploration and evaluation assets	14	**(122)**	(6,294)
Finance income	6	**917**	269
Profit before tax		**266,829**	58,407
Tax	8	**(821)**	(6,837)
Profit after tax		**266,008**	51,570
EMRA profit share	7	**(51,253)**	-
Profit for the year after EMRA profit share		**214,755**	51,570
Profit for the year attributable to:			
– the owners of the parent		**214,755**	51,570
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Profit / (Loss) on available-for-sale financial assets (net of tax)	15	**45**	(212)
Other comprehensive income for the year		**45**	(212)
Total comprehensive income attributable to:			
– the owners of the parent		**214,800**	51,358
Earnings per share before profit share:			
Basic (cents per share)	25	**23.049**	4.506
Diluted (cents per share)	25	**22.935**	4.441
Earnings per share after profit share:			
Basic (cents per share)	25	**18.608**	4.506
Diluted (cents per share)	25	**18.516**	4.441

The above audited Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2016

	Notes	**31 December 2016 US$'000**	31 December 2015 US$'000
Non-current assets			
Property, plant and equipment	13	**868,926**	871,467
Exploration and evaluation asset	14	**153,918**	152,077
Prepayments	12	**295**	28,750
Other receivables	10	**81**	60
Total non-current assets		**1,023,220**	1,052,354
Current assets			
Inventories	11	**136,562**	134,775
Available-for-sale financial assets	15	**130**	163
Trade and other receivables	10	**24,870**	23,784
Prepayments	12	**2,028**	4,330
Cash and cash equivalents	26	**399,873**	199,616
Total current assets		**563,463**	362,668
Total assets		**1,586,683**	1,415,022
Non-current liabilities			
Provisions	17	**7,697**	7,139
Total non-current liabilities		**7,697**	7,139
Current liabilities			
Trade and other payables	16	**47,991**	47,138
Tax liabilities	8	**-**	6,837
Provisions	17	**6,476**	576
Total current liabilities		**54,467**	54,551
Total liabilities		**62,164**	61,690
Net assets		**1,524,519**	1,353,332
Equity			
Issued capital	18	**667,472**	665,590
Share option reserve	19	**3,048**	2,469
Accumulated profits		**853,999**	685,273
Total equity attributable to:			
– owners of the parent		**1,524,519**	1,353,332
Total equity		**1,524,519**	1,353,332

The above audited Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

The consolidated financial statements were approved by the board of directors and authorised for issue on 1 February 2017 and signed on its behalf by:

Andrew Pardey
Chief executive officer

Ross Jerrard
Chief financial officer

1 February 2017

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2016

	Issued capital US$'000	Share option reserve US$'000	Accumulated profits US$'000	Total Equity US$'000
Balance as at 1 January 2016	**665,590**	**2,469**	**685,273**	**1,353,332**
Profit for the year	**-**	**-**	266,008	266,008
EMRA profit share	-	-	(51,253)	(51,253)
Other comprehensive income for the year	**-**	**-**	45	45
Total comprehensive income for the year	**-**	**-**	**214,800**	**214,800**
Issue of shares	**(17)**	**-**	**-**	**(17)**
Transfer of share-based payments	**1,899**	**(1,899)**	**-**	**-**
Recognition of share-based payments	**-**	**2,478**	**-**	**2,478**
Dividend paid	**-**	**-**	**(46,073)**	**(46,073)**
Balance as at 31 December 2016	**667,472**	**3,048**	**853,999**	**1,524,519**

	Issued capital US$'000	Share option reserve US$'000	Accumulated profits US$'000	Total Equity US$'000
Balance as at 1 January 2015	661,573	4,098	667,702	1,333,373
Profit for the year	—	—	51,570	51,570
Other comprehensive income for the year	—	—	(212)	(212)
Total comprehensive income for the year	—	—	51,358	51,358
Issue of shares	38	—	—	38
Transfer of share-based payments	3,979	(3,979)	—	—
Recognition of share-based payments	—	2,350	—	2,350
Dividend paid	—	—	(33,787)	(33,787)
Balance as at 31 December 2015	665,590	2,469	685,273	1,353,332

The above audited Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 December 2016

	Notes	**31 December 2016 US$'000**	31 December 2015 US$'000
Cash flows from operating activities			
Cash generated in operating activities	26(b)	**374,811**	185,811
Taxes paid		**(7,599)**	-
Finance income		**(917)**	(269)
Net cash generated by operating activities		**366,295**	185,542
Cash flows from investing activities			
Acquisition of property, plant and equipment		**(57,204)**	(36,554)
Exploration and evaluation expenditure		**(49,487)**	(34,372)
Finance income	6	**917**	269
Net cash used in investing activities		**(105,774)**	(70,657)
Cash flows from financing activities			
EMRA prepayment	7	**-**	(5,000)
Dividend paid		**(46,073)**	(33,787)
EMRA profit share	7	**(18,503)**	-
Net cash provided by financing activities		**(64,576)**	(38,787)
Net increase in cash and cash equivalents		**195,945**	76,098
Cash and cash equivalents at the beginning of the period		**199,616**	125,659
Effect of foreign exchange rate changes		**4,312**	(2,141)
Cash and cash equivalents at the end of the period	26	**399,873**	199,616

The above audited Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2016

1. General information

Centamin plc (the "Company") is a listed public company, incorporated in Jersey and operating through subsidiaries and jointly controlled entities operating in Egypt, Burkina Faso, Côte d'Ivoire, United Kingdom and Australia. It is the parent company of the group, comprising the Company and its subsidiaries and joint arrangements.

Registered office and principal place of business:

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

The nature of the group's operations and its principal activities are set out in the directors' report and the strategic report of the annual report.

2. Adoption of new and revised accounting standards

Standards not affecting the reported results nor the financial position

In the current year, the new and revised Standards and Interpretations that have been adopted have not had a significant impact on the amounts reported in these financial statements.

New standards, amendments and interpretations not yet adopted

Standards and interpretations issued but not yet effective up to the date of issuance of the financial statements are listed below. This listing of standards and interpretations issued are those that the group reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date.

IFRS 15 'Revenue from contracts with customers'. The new standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and provides a five step framework for application to customer contracts: identification of customer contract, identification of the contract performance obligations, determination of the contract price, allocation of the contract price to the contract performance obligations, and revenue recognition as performance obligations are satisfied. A new requirement where revenue is variable stipulates that revenue may only be recognised to the extent that it is highly probable that significant reversal of revenue will not occur. The group is currently assessing the impact of IFRS 15 but as the majority of gold sales are not subject to pricing adjustments, a significant impact is not anticipated. The new standard will be effective for annual periods beginning on or after 1 January 2018.

IFRS 9 'Financial instruments'. IFRS 9 addresses the financial reporting of financial assets and financial liabilities. This standard replaces IAS 39 'Financial instruments: recognition and measurement'. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than in net earnings, unless this creates an accounting mismatch. The impairment model and hedging rules have also been amended under IFRS 9 but the derecognition rules remain the same. The group does not expect a significant impact from IFRS 9 at the moment as it does not enter into formal hedge accounting arrangements, has no long-term trade or other receivables and does not hold financial liabilities at fair value. However, the group will need to consider the accounting for assets currently held as available-for-sale. The new standard will be effective for annual periods beginning on or after 1 January 2018.

IFRS 16 'Leases'. The new standard will replace IAS 17 'Leases' and eliminates the classification of leases as either operating or finance leases by the lessee. Classification of leases by the lessor under IFRS 16 continues as either an operating or a finance lease, as was the treatment under IAS 17 'Leases'. The treatment of leases by the lessee will require capitalisation of all leases resulting in accounting treatment similar to finance leases under IAS 17 'Leases'. Exemptions for leases of very low value or short-term leases will be applicable. The new standard will result in an increase in lease assets and liabilities for the lessee. Under the new standard the treatment of all lease expense is aligned in the statement of earnings with depreciation, and an interest expense component recognised for each lease, in line with finance lease accounting under IAS 17 'Leases'. The group's office building leases will come on balance sheet on adoption of IFRS 16 but this is not expected to have a significant impact on either the balance sheet or KPI reporting. IFRS 16 will be applied prospectively for annual periods beginning on or after 1 January 2019.

3. Summary of significant accounting policies

Basis of preparation

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

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

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

Comparative figures

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year. These are categorisation changes for comparison purposes only and have no effect on results as previously reported.

Principles of consolidation

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

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

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

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

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

Going concern

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

The group meets its day-to-day working capital requirements through existing cash resources. As discussed in Note 21, the operation of the mine has been affected by two legal actions. The first of these followed from a decision taken by Egyptian General Petroleum Corporation ("EGPC") to charge international, not local (subsidised) prices for the supply of DFO, and the second arose as a result of a judgment of the Administrative Court of first instance in relation to, amongst other matters, the Company's 160km^2 exploitation lease. In relation to the first decision, the Company remains confident that in the event that it is required to continue to pay international prices, the mine at Sukari will remain commercially viable. Similarly, the Company remains confident that the appeal it has lodged in relation to the decision of the Administrative Court will ultimately be successful, although final resolution of it may take some time. On 20 March 2013 the Supreme Administrative Court upheld the Company's application to suspend the decision until the merits of the Company's appeal were considered and ruled on, thus providing assurance that normal operations will be able to continue during this process.

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

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

Accounting policies

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

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

Cash and cash equivalents

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

Financial instruments

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

Financial liabilities and equity

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

Equity instruments

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

Financial liabilities

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

Financial liabilities at FVTPL

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

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

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

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

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

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

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

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

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

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

Available-for-sale financial assets ("AFS")
Listed shares and listed redeemable notes held by the group that are traded in an active market are classified as being AFS and are stated at fair value. Fair value is determined in the manner described in note 27. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated profits with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is reclassified to profit or loss.

Dividends on AFS equity instruments are recognised in profit or loss when the group's right to receive the dividends is established. The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the balance sheet date. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

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

Impairment of financial assets

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

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

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

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

Derecognition of financial assets

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

Employee benefits

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

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

Superannuation

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

Exploration, evaluation and development expenditure

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

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

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

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

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

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

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

Foreign currencies
The individual financial statements of each group entity are presented in its functional currency being the currency of the primary economic environment in which the entity operates. For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in United States dollars, which is the functional currency of the group and the presentation currency for the consolidated financial statements except for the UK subsidiaries which are denominated in Great British pounds and the Australian subsidiaries which are denominated in Australian dollars.

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

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 finished goods are valued applying absorption costing.

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

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

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

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

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

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

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

Freehold land is not depreciated.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Other income

Interest income

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

Business combinations

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

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

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

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

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

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

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

Investments in associates

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

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

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

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

Any excess of the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

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

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

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

Share-based payments

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

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

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

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.
The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. Further details on how the fair value of equity settled share-based transactions has been determined can be found in note 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.

Issued capital

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

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

Taxation

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

Current tax

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

Deferred tax

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

Restoration and rehabilitation

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

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

4. Critical accounting judgments

Critical judgments in applying the entity's accounting policies

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

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

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

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

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

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

The key assumptions previously applied in impairment reviews are:

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

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

Every action is being taken to contest these decisions, including the making of formal legal appeals and, although their resolution may still take some time, management remain confident that a satisfactory outcome will ultimately be achieved. In the meantime, however, the group is continuing to pay international prices for diesel fuel oil. With respect to the Administrative Court ruling, on 20 March 2013 the Supreme Administrative Court upheld the Company's application to suspend this decision until the merits of the Company's appeal are considered and ruled on, thus providing assurance that normal operations will be able to continue during this process.

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

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

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

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

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

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

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

Accounting treatment of Sukari Gold Mines ("SGM")

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

Key sources of estimation uncertainty

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

Provision for restoration and rehabilitation costs

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

Ore reserve estimates

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

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

Depreciation of capitalised underground mine development costs

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

EMRA profit share

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

Egyptian Pound

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

5. Revenue

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

	31 December 2016 US$'000	31 December 2015 US$'000
Gold sales	**686,306**	506,963
Silver sales	**1,081**	1,433
	687,387	508,396

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

6. Profit before tax

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

	31 December 2016 Total US$'000	31 December 2015 Total US$'000
Cost of sales		
Mine production costs	**(288,317)**	(314,827)
Movement in inventory	**5,926**	(7,476)
Depreciation and amortisation	**(106,885)**	(93,939)
	(389,276)	(416,242)

	31 December 2016 US$'000	31 December 2015 US$'000
Finance income		
Interest received	**917**	269
Other operating costs		
Corporate compliance	**(1,746)**	(1,556)
Office related depreciation	**(87)**	(111)
Auditing fees	**(641)**	(573)
Corporate consultants	**(370)**	(751)
Communications and IT	**(169)**	(206)
Salary and wages	**(5,353)**	(6,929)
Travel, accommodation and entertainment	**(859)**	(1,212)
Office rents and lease payment	**(156)**	(185)
Other administration expenses	**(207)**	(140)
Impairment reversal	**484**	526
Insurances	**(225)**	(120)
Other taxes	**(1,400)**	(516)
Stock obsolescence	**(2,500)**	-
Employee equity settled share-based payments	**(2,478)**	(2,350)
Fixed royalty – attributable to the Egyptian government	**(20,575)**	(15,198)
Foreign exchange gain/(loss), net	**5,025**	2,141
Finance charges	**(239)**	(180)
Provision for restoration and rehabilitation – unwinding of discount	**(581)**	(362)
	(32,077)	(27,722)

	31 December 2016 US$'000	31 December 2015 US$'000
Impairment of exploration and evaluation assets(1)	**(122)**	(6,294)

1) Refer to note 14 for further details.

7. EMRA profit share

EMRA is entitled to a share of 50% of SGM's net production surplus which can be defined as 'revenue less payment of the fixed royalty to Arab Republic of Egypt ("ARE") and recoverable costs'. However, in accordance with the terms of the Concession Agreement, in the first and second years in which there is a Profit Share, PGM will be entitled to an additional 10% of net production surplus and an additional 5% in the third and fourth years.

	31 December 2016 US$'000	31 December 2015 US$'000
Income statement		
EMRA profit share	**(51,253)**	-
Balance sheet		
EMRA advance profit share prepayment	**-**	28,750
EMRA profit share accrual	**4,000**	-

Entitlements to EMRA pursuant to the provisions of the Concession Agreement are recognised as a variable charge in the income statement (below profit after tax) of Centamin, which leads to a reduction in the earnings per share. The profit share payments during the year will be reconciled against SGM's audited June 2017 financial statements.

Any variation between payments made during the year (which are based on the Company's estimates) and the audited financial statements, may result in a balance due and payable to EMRA or advances to be offset against future distributions. This will be reflected as an accrual or prepayment in each reporting period.

Centamin elected to make advance payments against future profit share from 2013 onwards and the value of these payments amounted to US$28.75 million. These payments were recovered by PGM during the year by way of net off against EMRA's entitlement to profit share during the period.

	31 December 2016 US$'000	31 December 2015 US$'000
Cash flows		
EMRA profit share entitlement	**51,253**	-
EMRA prepayment	**-**	5,000
EMRA recovery of prepayment	**(28,750)**	-
EMRA accrual	**(4,000)**	-
EMRA cash payments during the period	**18,503**	5,000

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

Subsequent to year end further profit share advance distributions totalling US$7m has been made to EMRA.

8. Tax

The group operates in several countries and, accordingly, it is subject to, the various tax regimes in the countries in which it operates. From time to time the group is subject to a review of its related tax filings and in connection with such reviews, disputes can arise with the taxing authorities over the interpretation or application of certain rules to the group's business conducted within the country involved. If the group is unable to resolve any of these matters favourably, there may be an adverse impact on the group's financial performance, cash flows or results of operations. In the event that management's estimate of the future resolution of these matters changes, the group will recognise the effects of the changes in its consolidated financial statements in the period that such changes occur.

In Australia, Centamin Egypt Limited and Pharaoh Gold Mines NL have elected to form a tax-consolidated group and therefore are treated as a single entity for Australian income tax purposes. Pharaoh Gold Mines NL benefits from the "Branch Profits Exemption" whereby foreign branch income will generally not be subject to Australian income tax. In Egypt, Centamin has entered into a concession agreement that provides that the income generated by Sukari Gold Mining Company's activities is granted a long-term tax exemption from all taxes imposed in Egypt.

Tax recognised in profit is summarised as follows:

Tax expense

	31 December 2016 US$'000	31 December 2015 US$'000
Current tax		
Current tax expense in respect of the current year	**(821)**	(6,837)
Deferred tax	**-**	-
Total tax expense	**(821)**	(6,837)

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

	31 December 2016 US$'000	31 December 2015 US$'000
Profit before income tax	**266,829**	58,407
Tax expense calculated at 0% (2015: 0%)[(1)] of profit before tax	**-**	-
Tax effect of amounts which are not deductible/taxable in calculating taxable income:		
Effect of tax different tax rates of subsidiaries operating in other jurisdictions	**(821)**	(6,837)
Tax expense for the year	**(821)**	(6,837)

1) The tax rate used in the above reconciliation is the corporate tax rate of 0% payable by Jersey corporate entities under the Jersey tax law (2015: 0%). There has been no change in the underlying corporate tax rates when compared to the previous financial period.

Tax recognised in the balance sheet is summarised as follows:

	31 December 2016 US$'000	31 December 2015 US$'000
Current tax liabilities	**-**	(6,837)
Current tax payable	**-**	-

Tax consolidation

Relevance of tax consolidation to the consolidated entity

Companies within the group's wholly owned Australian resident entities formed a tax-consolidated group with effect from 1 July 2003. The head entity within the tax-consolidated group is Centamin Egypt Limited. The members of the tax-consolidated group are Pharaoh Gold Mines NL, Viking Resources NL and North African Resources NL.

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.

9. Segment reporting

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

Non−current assets other than financial instruments by country:

	31 December 2016 US$'000	31 December 2015 US$'000
Egypt	**899,852**	970,376
Ethiopia	**-**	336
Burkina Faso	**105,432**	76,209
Côte d'Ivoire	**17,870**	5,316
Australia	**3**	2
Jersey	**63**	115
	1,023,220	1,052,354

10. Trade and other receivables

	31 December 2016 US$'000	31 December 2015 US$'000
Non-current		
Other receivables - deposits	**81**	60
	81	60

	31 December 2016 US$'000	31 December 2015 US$'000
Current		
Gold and silver sales debtors	**23,009**	20,472
Other receivables	**1,861**	3,312
	24,870	23,784

Trade and other receivables are classified as loans and receivables and are therefore measured at amortised cost.

All gold and silver sales during the year were made to a single customer in North America and are neither past due or impaired.

The average age of the receivables is 9 days (2015: 14 days). No interest is charged on the receivables. There are no trade receivables past due and impaired at the reporting date, and thus no allowance for doubtful debts has been recognised. Of the trade receivables balance, the gold sales debtor is all a receivable from Asahi Refining of Canada. The amount due has been received in full subsequent to year end. Other receivables represent GST and VAT amounts owing from the various jurisdictions that the group operates in and inventory returns to vendors where refunds are expected to occur.

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

11. Inventories

	31 December 2016 US$'000	31 December 2015 US$'000
Mining stockpiles and ore in circuit	**34,217**	28,291
Stores inventory	**102,345**	106,484
	136,562	134,775

12. Prepayments

	31 December 2016 US$'000	31 December 2015 US$'000
Current		
Prepayments	**1,151**	1,161
Fuel prepayments	**877**	3,169
	2,028	4,330

	31 December 2016 US$'000	31 December 2015 US$'000
Non-current		
EMRA	**-**	28,750
Others	**295**	-
	295	28,750

Movement in fuel prepayments

	31 December 2016 US$'000	31 December 2015 US$'000
Balance at the beginning of the year	**3,169**	-
Fuel prepayment recognised	**23,014**	42,472
Less: provision charged to:(1)		
Mine production costs	**(22,844)**	(43,808)
Property, plant and equipment	**(2,269)**	-
Inventories	**(193)**	1,336
Fuel advance down payment	**-**	3,169
Balance at the end of the year	**877**	3,169

1) The cumulative fuel prepayment recognised and provision charged as at 31 December 2016 is as follows:

Fuel prepayment recognised (US$'000)	231,218
Provision charged to:	
Mine production costs (US$'000)	(218,000)
Property, plant and equipment (US$'000)	(14,120)
Inventories (US$'000)	(1,390)
Fuel advance down payment (US$'000)	3,169

Diesel Fuel Dispute

As more fully described in note 21 below, the group is currently involved in court action concerning the price at which it is supplied with DFO. Since January 2012, the group has had to pay for DFO at the international price rather than the subsidised price which it believes it is entitled to. It is seeking recovery of the funds advanced since 2012 though the court action. However, management recognises the practical difficulties associated with reclaiming funds from the government and for this reason has, fully provided against the prepayment of US$231.2 million to 31 December 2016 of which US$24.6 million was provided for during 2016.

In order to allow a better understanding of the financial information presented within the consolidated financial statements, and specifically the group's underlying business performance, the effect of the Diesel Fuel Dispute is shown below.

This has resulted in a net charge of US$24.6 million in the profit and loss.

	31 December 2016			31 December 2015		
	Before adjustment US$'000	**Adjustment US$'000**	**Total US$'000**	Before adjustment US$'000	Adjustment US$'000	Total US$'000
Cost of sales						
Mine production costs	**(265,473)**	**(22,844)**	**(288,317)**	(271,019)	(43,808)	(314,827)
Movement in inventory	**7,710**	**(1,784)**	**5,926**	(4,545)	(2,931)	(7,476)
Depreciation and amortisation	**(106,885)**	**-**	**(106,885)**	(93,939)	—	(93,939)
	(364,648)	**(24,628)**	**(389,276)**	(369,503)	(46,739)	(416,242)

12. Prepayments (continued)

The effect on earnings per share is shown below.

	31 December 2016			31 December 2015		
	Before Adjustment US$'000	**Adjustment US$'000**	**Total US$'000**	Before adjustment US$'000	Adjustment US$'000	Total US$'000
Earnings per share before profit share:						
Basic (cents per share)	**25.183**	**(2.134)**	**23.049**	8.590	(4.084)	4.506
Diluted (cents per share)	**25.058**	**(2.123)**	**22.935**	8.467	(4.025)	4.441
Earnings per share after profit share:						
Basic (cents per share)	**20.742**	**(2.134)**	**18.608**	8.590	(4.084)	4.506
Diluted (cents per share)	**20.639**	**(2.123)**	**18.516**	8.467	(4.025)	4.441

13. Property, plant and equipment

	Office equipment US$'000	**Buildings US$'000**	**Plant and equipment US$'000**	**Mining equipment US$'000**	**Mine development properties US$'000**	**Capital work in progress US$'000**	**Total US$'000**
Cost							
Balance at 31 December 2015	5,535	1,194	582,854	241,316	316,304	32,469	1,179,672
Additions	547	825	1,474	8,733	2,075	43,306	56,960
Disposals	(30)	-	(215)	(558)	-	-	(803)
Transfers	-	-	-	-	47,523	-	47,523
Balance at 31 December 2016	6,052	2,019	584,113	249,491	365,902	75,775	1,283,352
Accumulated depreciation							
Balance at 31 December 2015	(4,867)	(293)	(98,504)	(100,826)	(103,715)	-	(308,205)
Depreciation and amortisation	(558)	(119)	(29,496)	(29,424)	(47,376)	-	(106,973)
Disposals	25	-	87	640	-	-	752
Balance at 31 December 2016	(5,400)	(412)	(127,913)	(129,610)	(151,091)	-	(414,426)
Cost							
Balance at 31 December 2014	5,401	1,186	565,836	221,178	232,921	116,772	1,143,294
Additions	103	8	147	3,779	-	28,781	32,818
Increase in rehabilitation asset	-	-	-	-	3,762	-	3,762
Disposals	-	-	-	(202)	-	-	(202)
Transfers	31	-	16,871	16,561	79,621	(113,084)	-
Balance at 31 December 2015	5,535	1,194	582,854	241,316	316,304	32,469	1,179,672
Accumulated depreciation							
Balance at 31 December 2014	(4,280)	(234)	(67,980)	(72,339)	(69,497)	-	(214,330)
Depreciation and amortisation	(587)	(59)	(30,524)	(28,663)	(34,218)	-	(94,051)
Disposals	-	-	-	176	-	-	176
Balance at 31 December 2015	(4,867)	(293)	(98,504)	100,826	(103,715)	-	308,205
Net book value							
As at 31 December 2015	668	901	484,350	140,490	212,589	32,469	871,467
As at 31 December 2016	**652**	**1,607**	**456,200**	**119,882**	**214,811**	**75,775**	**868,926**

No impairment review was performed in 2015 or 2016 as no indicators of impairment were identified.

14. Exploration and evaluation asset

	31 December 2016 US$'000	31 December 2015 US$'000
Balance at the beginning of the period	**152,077**	123,999
Expenditure for the period	**49,487**	34,372
Transfer to property plant and equipment	**(47,524)**	-
Impairment of exploration and evaluation asset	**(122)**	(6,294)
Balance at the end of the period	**153,918**	152,077

The exploration and evaluation asset relates to the drilling, geological exploration and sampling of potential ore reserves and can be attributed to Egypt (US$30.5m) Burkina Faso (US$105.6m) and Côte d'Ivoire (US$17.8m).

15. Available-for-sale financial assets

	31 December 2016 US$'000	31 December 2015 US$'000
Balance at the beginning of the period	**163**	409
Gain/(loss) on foreign exchange movement	**(78)**	(560)
Loss on fair value of investment – other comprehensive income	**45**	(212)
Impairment reversal/(loss)	**-**	526
Balance at the end of the period	**130**	163

The available-for-sale financial asset at period end relates to a 5.33% (2015: 6.66% equity interest in Nyota Minerals Limited ("Nyota"), a listed public company and a 0.43% interest in Kefi Minerals plc an AIM listed company.

Management made the decision to sell its interest in Nyota and the financial asset is classed as a current asset.

16. Trade and other payables

	31 December 2016 US$'000	31 December 2015 US$'000
Trade payables	**23,734**	28,630
Other creditors and accruals	**24,257**	18,508
	47,991	47,138

Trade payables principally comprise the amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 22 days (2015: 22 days). Trade payables are interest free for periods ranging from 30 to 180 days. Thereafter interest is charged at commercial rates. The group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe. The directors consider that the carrying amount of trade payables approximate their fair value.

17. Provisions

	31 December 2016 US$'000	31 December 2015 US$'000
Current		
Employee benefits[(1)]	**367**	456
Withholding tax	**3,609**	120
Stock obsolescence	**2,500**	-
	6,476	576
Non-current		
Restoration and rehabilitation[(2)]	**7,697**	7,139
	7,697	7,139
Movement in restoration and rehabilitation provision		
Balance at beginning of the year	**7,139**	3,015
Additional provision recognised/(provision derecognised)	**(23)**	3,762
Interest expense – unwinding of discount	**581**	362
Balance at end of the year	**7,697**	7,139

1) Employee benefits relate to annual, sick and long service leave entitlements.
2) The provision for restoration and rehabilitation represents the present value of the directors' best estimate of the future outflow of economic benefits that will be required to remove the facilities and restore the affected areas at the group's sites discounted by 8.17% (2015: 8.17%). This restoration and rehabilitation estimate, which is reviewed on annual basis, has been made on the basis of benchmark assessments of restoration works required following mine closure and after taking into account the projected area to be disturbed over the life of the mine, being 20 years. The annual review undertaken as at 31 December 2016 has resulted in no change to the provision.

18. Issued capital

	31 December 2016		31 December 2015	
	Number	**US$'000**	Number	US$'000
Fully paid ordinary shares				
Balance at beginning of the period	**1,152,107,984**	**665,590**	1,152,107,984	661,573
Issue/(Cancelled) of shares	**-**	**(17)**	-	38
Transfer from share option reserve	**-**		-	3,979
		1,899		
Balance at end of the period	**1,152,107,984**	**667,472**	1,152,107,984	665,590

The authorised share capital is an unlimited number of no par value shares.

At 31 December 2016 the Company held 2,109,710 ordinary shares in treasury (2015: 5,659,709 ordinary shares). These shares are held by the trustee pursuant to the deferred bonus share plan. Fully paid ordinary shares carry one vote per share and carry the right to dividends. See note 29 for more details of the share options.

19. Share option reserve

	31 December 2016 US$'000	31 December 2015 US$'000
Share option reserve	**3,048**	2,469

	31 December 2016 US$'000	31 December 2015 US$'000
Share option reserve		
Balance at beginning of the period	**2,469**	4,098
Share-based payments expense	**2,937**	2,456
Transfer to accumulated profits	**(459)**	(106)
Transfer to issued capital	**(1,899)**	(3,979)
Balance at the end of the period	**3,048**	2,469

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

20. Commitments for expenditure

(a) Capital expenditure commitments

	31 December 2016 US$'000	31 December 2015 US$'000
Plant and equipment[(1)]		
No longer than one year	**-**	-
Longer than one year and not longer than five years	**-**	-
Longer than five years	**-**	-
	-	-

1) As a result of the completion of Stage 4, the group had no commitments for capital expenditure as at 31 December 2016.

(b) Operating lease commitments

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

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

Operating lease commitments are limited to office premises in Jersey.

21. Contingent liabilities and contingent assets

Contingent liabilities

Fuel supply

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

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

In September 2016, the State Commissioner's Office produced a report containing non-binding recommendations for the Administrative Court in which the case is proceeding. The report's findings were unfavourable to the group. The group's legal advisers do not believe the report properly addresses the substantive merits of the group's case and, as such, the Company continues vigorously to pursue its claim. The Company has prepared a response to the report which it will submit at the next hearing in the case. The group remains of the view that an instant move to international fuel prices is not a reasonable outcome and will look to recover funds advanced thus far should the court proceeding be successfully concluded. However, management recognises the practical difficulties associated with reclaiming funds from the government and for this reason has fully provided against the prepayment of US$231.2 million. Refer to note 12 of the accompanying financial statements for further details on the impact of this provision on the group's results for 2016.

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

Concession Agreement court case

On 30 October 2012, the Administrative Court in Egypt handed down a judgment in relation to a claim brought by, amongst others, an independent member of a previous parliament, in which he argued for the nullification of the agreement that confers on the group rights to operate in Egypt. This agreement, the Concession Agreement, was entered into between the Arab Republic of Egypt, the Egyptian Mineral Resources Authority ("EMRA") and Centamin's wholly owned subsidiary Pharaoh Gold Mines ("PGM"), and was approved by the People's Assembly as Law no. 222 of 1994.

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

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

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

21. Contingent liabilities and contingent assets (continued)

The Company has taken extensive legal advice on the merits of its appeal from a number of leading Egyptian law firms who have confirmed that the proper steps were followed with regard to the grant of the 160km² lease. In addition, the Company has been advised that it should benefit from Law no. 32 of 2014, which came into force in April 2014 and which restricts the capacity for third parties to challenge any contractual agreement between the Egyptian government and an investor. This law, whilst in force and ratified by the new parliament, is currently under review by the Supreme Constitutional Court of Egypt. It therefore remains of the view that the appeal is based on strong legal grounds and will ultimately be successful. The appeal was stayed by the Supreme Administrative Court in June 2016 until the Supreme Constitutional Court rules on the validity of Law no. 32 of 2014. If the Supreme Constitutional Court upholds Law 32, the group is advised that it will benefit from its provisions. In the event that the Supreme Constitutional Court rules that Law no. 32 is invalid, the group remains confident that its appeal will be successful on the merits.

In the event that the appellate court fails to be persuaded of the merits of the case put forward by the group, the operations at Sukari may be adversely effected to the extent that the group's operation exceeds the exploitation lease area of 3km² referred to in the original court decision.

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

Contingent assets

There were no contingent assets at year-end (31 December 2015: nil).

22. Subsidiaries

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

		Ownership interest	
	Country of incorporation	**31 December 2016 %**	31 December 2015 %
Centamin Egypt Limited	Australia	**100**	100
Pharaoh Gold Mines NL (holder of an Egyptian branch)	Australia	**100**	100
Sukari Gold Mining Co	Egypt	**50**	50
Viking Resources Limited (in liquidation)	Australia	**100**	100
North African Resources NL (in liquidation)	Australia	**100**	100
Centamin West Africa Holdings Limited	UK	**100**	100
Sheba Exploration Limited (holder of an Ethiopia branch)	UK	**100**	100
Sheba Exploration Holdings Limited[1]	UK	**100**	100
Centamin Group Services Limited	Jersey	**100**	100
Centamin Holdings Limited	Jersey	**100**	100
Centamin Limited	Bermuda	**100**	100
Ampella Mining Limited	Australia	**100**	100
Ampella Share Plan Ltd	Australia	**100**	100
Ampella Mining Gold Pty Ltd	Australia	**100**	100
West African Gold Reserve Pty Ltd	Australia	**100**	100
Ampella Mining Gold SARL	Burkina Faso	**100**	100
Ampella Mining SARL	Burkina Faso	**100**	100
Ampella Mining Côte d'Ivoire	Côte d'Ivoire	**100**	100
Centamin Côte d'Ivoire	Côte d'Ivoire	**100**	100
Ampella Mining Exploration CDI	Côte d'Ivoire	**100**	100
Centamin Exploration CI	Côte d'Ivoire	**100**	100
Ampella Resources Burkina Faso	Burkina Faso	**100**	100
Konkera SA	Burkina Faso	**90**	90

1) Previously Sheba Exploration (UK) Plc.

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

In 2005 PGM, together with EMRA, were granted an exploitation lease over 160km^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.
In 2006 SGM was incorporated under the laws of Egypt. SGM was formed to conduct exploration, development, exploitation and marketing operations in accordance with the Concession Agreement. Responsibility for the day-to-day management of the project rests with the general manager, who is appointed by PGM.

The fiscal terms of the Concession Agreement require that PGM solely funds SGM. PGM is however entitled to recover from sales revenue recoverable costs, as defined in the Concession Agreement. EMRA is entitled to a share of SGM's net production surplus or profit share (defined as revenue less payment of the fixed royalty to ARE and recoverable costs). As at 31 December 2015, PGM had not recovered its cost and accordingly, no EMRA entitlement had been recognised at that date. During 2016 payments to EMRA commenced as advance profit share distributions. Any payment made to EMRA pursuant to these provisions of the Concession Agreement will be recognised as a variable charge in the income statement. The Concession Agreement grants certain tax exemptions, including the following:

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

23. Auditors' remuneration

The analysis of the auditors' remuneration is as follows:

	31 December 2016 US$'000	31 December 2015 US$'000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	**386**	375
Additional fees relating to the prior year	**10**	-
Fees payable to the Company's auditors' and its associates for other services to the group		
– the audit of the Company's subsidiaries	**94**	150
Total audit fees	**490**	525
Non-audit fees:		
Audit related assurance services – interim review	**109**	104
Other assurance services	**15**	22
Tax compliance services	**-**	-
Tax advisory services	**-**	-
Other expenses	**27**	14
Total non-audit fees	**151**	140

The audit and risk committee and the external auditor have safeguards in place to avoid the possibility that the auditor's objectivity and independence could be compromised. These safeguards include the implementation of a policy on the use of the external auditors for non-audit related services. Where it is deemed that the work to be undertaken is of a nature that is generally considered reasonable to be completed by the auditor of the Company for sound commercial and practical reasons, the conduct of such work will be permissible provided that it has been pre-approved. All these services are also subject to a predefined fee limit. Any work performed in excess of this limit must be approved by the audit and risk committee.

24. Joint arrangements

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

	Percentage interest	
	31 December 2016	31 December 2015
Name of joint operation	**%**	%
Egyptian Pharaoh Investments[1]	**50**	50

1) Dormant company.

The group has a US$1 (cash) interest in the above joint operation. The amount is included in the consolidated financial statements of the group. There are no capital commitments arising from the group's interests in the joint operation as disclosed in note 21.

25. Earnings per share

	31 December 2016 Cents per share	31 December 2015 Cents per share
Basic earnings per share [1]	**23.049**	4.506
Diluted earnings per share [1]	**22.935**	4.441
Basic earnings per share [2]	**18.608**	4.506
Diluted earnings per share [2]	**18.516**	4.441

(1) Before profit share

(2) After profit share

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 2016 US$'000	31 December 2015 US$'000
Earnings used in the calculation of basic EPS[1]	**266,008**	51,570
Earnings used in the calculation of basic EPS[2]	**214,755**	51,570

(1) Before profit share

(2) After profit share

	31 December 2016 Number	31 December 2015 Number
Weighted average number of ordinary shares for the purpose of basic EPS	**1,154,085,388**	1,144,499,697

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 2016 US$'000	31 December 2015 US$'000
Earnings used in the calculation of diluted EPS[1]	**266,008**	51,570
Earnings used in the calculation of diluted EPS[2]	**214,755**	51,570

(1) Before profit share

(2) After profit share

	31 December 2016 Number	31 December 2015 Number
Weighted average number of ordinary shares for the purpose of basic EPS	**1,154,085,388**	1,144,499,697
Shares deemed to be issued for no consideration in respect of employee options	**5,755,404**	16,649,502
Weighted average number of ordinary shares used in the calculation of diluted EPS	**1,159,840,792**	1,161,149,199

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

26. Notes to the statements of cash flows

(a) Reconciliation of cash and cash equivalents

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

	31 December 2016 US$'000	31 December 2015 US$'000
Cash and cash equivalents	**399,873**	199,616

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

	31 December 2016 US$'000	31 December 2015 US$'000
Profit for the year	**266,008**	51,570
Add/(less) non-cash items:		
Depreciation/amortisation of property, plant and equipment	**106,973**	94,051
Increase/(decrease) in provisions	**6,458**	11,231
Foreign exchange rate (gain)/loss	**(4,312)**	(3,471)
Impairment (reversal of)/loss on available-for-sale financial assets	**45**	(526)
Impairment of exploration and evaluation assets	**122**	6,294
Share-based payments expense	**2,478**	2,350
Changes in working capital during the period:		
(Increase)/decrease in trade and other receivables	**(1,085)**	1,188
(Increase)/decrease in inventories	**(1,787)**	5,853
Decrease in prepayments	**2,302**	549
Decrease/(increase) in trade, tax and other payables	**(2,391)**	16,722
Cash flows generated from operating activities	**374,811**	185,811

(c) Non-cash financing and investing activities

During the year there have been no non-cash financing and investing activities.

27. Financial instruments

(a) Group risk management

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

The group has no debt and thus not geared at year end or in the prior year. The capital structure consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital and reserves as disclosed in notes 18 and 19. The group operates in Australia, Jersey, Egypt, Burkina Faso and Côte d'Ivoire. None of the group's entities are subject to externally imposed capital requirements.

The group utilises inflows of funds toward the ongoing exploration and development of the Sukari Gold Mine in Egypt, and the exploration projects in Burkina Faso and Côte d'Ivoire.

Categories of financial assets and liabilities:

	31 December 2016 US$'000	31 December 2015 US$'000
Financial assets		
Available-for-sale assets	**130**	163
Cash and cash equivalents	**399,873**	199,616
Trade and other receivables	**24,870**	23,784
	424,873	223,563
Financial liabilities		
Trade and other payables	**47,991**	47,138

27. Financial instruments (continued)

(b) Financial risk management and objectives

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

The group's activities expose it to a variety of financial risks: market; commodity; credit; liquidity; foreign exchange; and interest rate. These risks are managed under board approved directives through the audit committee. The group's principal financial instruments comprise interest bearing cash and cash equivalents. Other financial instruments include trade receivables and trade payables, which arise directly from operations.

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

(c) Market risk

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

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

	Great British pound		Australian dollar		Egyptian pound	
	31 December 2016 US$'000	31 December 2015 US$'000	**31 December 2016 US$'000**	31 December 2015 US$'000	**31 December 2016 US$'000**	31 December 2015 US$'000
Financial assets						
Cash and cash equivalents	**1,303**	332	**4,114**	2,800	**705**	1,411
Available-for-sale assets	**113**	146	**17**	17	**-**	-
	1,416	478	**4,131**	2,817	**705**	1,411
Financial liabilities						
Trade and other payables	**391**	390	**628**	10,905	**7,780**	9,402
	391	390	**628**	10,905	**7,780**	9,402
Net exposure	**1,025**	88	**3,503**	(8,088)	**(7,075)**	(7,991)

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

	Impact on profit		Impact on equity	
	31 December 2016 US$'000	31 December 2015 US$'000	**31 December 2016 US$'000**	31 December 2015 US$'000
US$/GB£ increase by 10%	**(81)**	(35)	**(10)**	(13)
US$/GB£ decrease by 10%	**81**	35	**10**	13
US$/A$ increase by 10%	**(314)**	737	**(2)**	(1)
US$/A$ decrease by 10%	**314**	(737)	**2**	1
US$/E£ increase by 10%	**639**	726	-	-
US$/E£ decrease by 10%	**(639)**	(726)	-	-

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

The amounts shown above are the main currencies which the group is exposed to. Centamin also has small deposits in Euro (US$114,553) and West African Franc (US$505,182), and net payables of US$593,457 in Euro and US$1,134,928 in West African Franc. A movement of 10% up or down in these currencies would have a negligible effect on the assets/liabilities.

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

27. Financial instruments (continued)

(d) Commodity price risk

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

(e) Interest rate risk

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

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

	Weighted average effective interest rate %	Less than one month US$'000	One to twelve months US$'000	More than twelve months US$'000	Total US$'000
31 December 2016					
Financial assets					
Variable interest rate instruments	**0.24**	**200,330**	**200,223**	**-**	**400,553**
Non-interest bearing	**-**	**24,320**	**-**	**-**	**24,320**
		224,650	**200,223**	**-**	**424,873**
Financial liabilities					
Variable interest rate instruments	**-**	**-**	**-**	**-**	**-**
Non-interest bearing	**-**	**47,991**	**-**	**-**	**47,991**
		47,991	**-**	**-**	**47,991**
31 December 2015					
Financial assets					
Variable interest rate instruments	**0.22**	53,471	146,093	-	199,564
Non-interest bearing	**-**	24,059	-	-	24,059
		77,530	146,093	-	223,623
Financial liabilities					
Variable interest rate instruments	-	-	-	-	-
Non-interest bearing	-	47,138	-	-	47,138

(f) Liquidity risk

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

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

27. Financial instruments (continued)

	Less than one month US$'000	One to twelve months US$'000	More than twelve months US$'000	Total US$'000
31 December 2016				
Financial assets				
Variable interest rate instruments	**200,330**	**200,223**	**-**	**400,553**
Non-interest bearing	**24,320**	**-**	**-**	**24,320**
	224,650	**200,223**	**-**	**424,873**
Financial liabilities				
Variable interest rate instruments	**-**	**-**	**-**	**-**
Non-interest bearing	**47,991**	**-**	**-**	**47,991**
	47,991	**-**	**-**	**47,991**
31 December 2015				
Financial assets				
Variable interest rate instruments	53,471	146,093	-	199,564
Non-interest bearing	25,531	-	-	25,531
	79,002	146,093	-	225,095
Financial liabilities				
Variable interest rate instruments	-	-	-	-
Non-interest bearing	47,138	-	-	47,138
	47,138	-	-	47,138

(g) Credit risk

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

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

(h) Fair value

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

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

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

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

	2016			
	Level 1	**Level 2**	**Level 3**	**Total**
Available-for-sale financial assets	**130**	**-**	**-**	**130**

	2015			
	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets	163	-	-	163

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

28. Share‑based payments

Restricted share plan

The Company's shareholder approved restricted share plan (RSP) allows the Company the right to grant Awards (as defined below) to employees of the Group. Awards may take the form of either conditional share awards, where shares are transferred conditionally upon the satisfaction of performance conditions; or share options, which may take the form of nil cost options or have a nominal exercise price, the exercise of which is again subject to satisfaction of applicable performance conditions.

The awards to be granted in June 2017 will vest in June 2020 (with 50% of the vested shares deferred for a further two years) and will be subject to satisfaction of the performance conditions over the three year financial period ended 31 December 2019.

- TSR: 20% of the award shall be assessed by reference to a target total shareholder return ("TSR"). If the top end of the TSR target is met (if the Company is ranked equal to or better than the upper quarter total shareholder return of selected comparator companies, see below) all 20% of the award tranche shall vest. If the Company is ranked at the median level in a table of comparator companies by reference to TSR, 25% of the award tranche shall vest (i.e. 5% of the award). Proportionate amounts of the award tranche will vest for results in between.

  The comparator group is as follows: Agnico Eagle Mines Ltd, AngloGold Ashanti, Centerra Gold, Eldorado Gold, Gold Fields Ltd, Kinross Gold Corporation, IAMGOLD Resources Inc, Petropavlovsk, Randgold Resources, Yamana Gold, Inc, Acacia Mining plc, Alacer Gold, B2 Gold Corp and Endeavour Mining.

- Mineral Reserves: 30% of the award shall be assessed by reference to mineral reserve replacement and growth. Reserve replacement is calculated based on the cumulative reserve estimates (from June 2016 to the most recent reserve estimate prior to vesting) compared with the cumulative reserves mined from 31 December 2016 to 31 December 2019. All 30% of the award will vest if the ratio is 100%. 25% of the award tranche will vest if the ratio is at least 75% (i.e. 7.5% of the award).

- EBITDA: 20% of the award shall be assessed by reference to compound growth in EBIDTA over the three year period to December 2019. If a compound annual growth rate of 3.5% of EBITDA is achieved by 2019, all 20% of the award tranche shall vest. If EBIDTA in 2019 is maintained at the levels achieved in 2016, 25% of the award tranche shall vest (i.e. 5% of the award). Proportionate amounts of the award tranche will vest for results in between. The performance criteria will be assessed based on the financial year ended 31 December 2019.

- Gold Production: 30% of the award shall be assessed by reference to compound growth in gold production over the three year period to December 2019. If a compound annual growth rate of 3.5% of gold production is achieved by 2019, all 30% of the award tranche shall vest. If gold production in 2019 is maintained at the levels achieved in 2016, 25% of the award tranche shall vest (i.e. 7.5% of the award). Proportionate amounts of the award tranche will vest for results in between.

  As Sukari reaches optimum production rates, the relative year-on-year rate of growth slows. Maintaining production rates at this optimum level still represents an award, with an appropriate incentive to further improve production rates through efficiency and optimization.

To date the Company has granted the following conditional awards to employees of the Group.

June 2015 Awards

Of the 5,145,000 awards granted on 4 June 2015 under the RSP, 3,845,000 awards remain granted to eligible participants (18 in total) and apply the following performance criteria:

- 20% of the Award shall be assessed by reference to a target total shareholder return.
- 50% of the Award shall be assessed by reference to absolute growth in earnings per share.
- 30% of the Award shall be assessed by reference to compound growth in gold production.

June 2016 Awards

Of the 4,999,000 awards granted on 4 June 2016 under the RSP, 4,704,000 awards remain granted to eligible participants (31 in total) applying the following performance criteria:

- 20% of the award shall be assessed by reference to a target total shareholder return.
- 30% of the award shall be assessed by reference to mineral reserve replacement and growth.
- 20% of the award shall be assessed by reference to compound growth in EBIDTA.
- 30% of the award shall be assessed by reference to compound growth in gold production.

Conditional share awards and options together constitute "Awards" under the Plan and those in receipt of Awards are "Award Holders".

A detailed summary of the scheme rules is set out in the 2015 AGM proxy materials which are available at www.centamin.com. In brief, Awards will vest following the passing of three years from the date of the Award and vesting will be subject to satisfaction of Performance

Conditions. The above measures are assessed by reference to current market practice and the Remuneration Committee will have regard to market practice when establishing the precise Performance Conditions for future Awards.

Where the performance conditions have been met, in the case of Conditional Awards, 50% of the total shares under the Award will be issued or transferred to the Award Holders on or as soon as possible following the specified Vesting Date, with the remaining 50% being issued or transferred on the second anniversary of the Vesting Date.

Restricted Share Plan awards granted during the period:

	RSP 2016
Grant date	4 June 2016
Number of instruments	4,999,000
TSR : Fair value at grant date £ [1]	0.6300
TSR : Fair value at grant date US$ [1]	0.9107
Reserve : Fair value at grant date £ [1]	1.0100
Reserve : Fair value at grant date US$ [1]	1.4600
EBITDA : Fair value at grant date £ [1]	1.0100
EBITDA : Fair value at grant date US$ [1]	1.4600
Gold Production : Fair value at grant date £ [1]	1.0100
Gold Production : Fair value at grant date US$ [1]	1.4600
Vesting period (years)	3.0
Expected volatility	42.14%
Expected dividend yield (%)	1.84%

(1) The vesting of 20% the awards granted under this plan are dependent on a TSR performance condition. As relative TSR is defined as a market condition under IFRS 2 "Share-based Payment", this requires that the valuation model used takes into account the anticipated performance outcome. We have therefore applied a Monte Carlo simulation model. The simulation model takes into account the probability of performance based on the expected volatility of Centamin and the peer group companies and the expected correlation of returns between the companies in the comparator group.

The remaining 80% of the awards are subject to Reserve, EBITDA and gold production performance conditions. As these are classified as non-market conditions under IFRS 2 they do not need to be taken into account when determining the fair value. These grants have been valued using a Black-Scholes model.

The fair value calculated was then converted at the closing £:US$ foreign exchange rate on that day.

28. Share-based payments (continued)

Deferred bonus share plan ("DBSP")

In 2012, the Company implemented the DBSP which is a long term share incentive arrangement for senior management (but not executive directors) and other employees (participants).

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

Under this offer, each participant has been granted a number of awards under the DBSP equivalent to the number of shares or options held under the ELFSP and EOS respectively. Such DBSP awards shall be subject to the terms and conditions of the DBSP and shall ordinarily vest in three equal tranches on the anniversary of the grant date, conditional upon the continued employment with the group. All offers made to participants were accepted. The award of the deferred shares will not have any performance criteria attached. They will however be subject to a service period.

DBSP awards granted during the period:

	DBSP 2016
Grant date	4 June 2016
Number of instruments	1,200,000
Share price / Fair value at grant date £ (2)	1.0600
Share price / Fair value at grant date US$ (2)	1.5323
Vesting period (years) (3)	1-3
Expected dividend yield (%)	n/a

(2) The fair value of the shares awarded under the DBSP were calculated by using the closing share price on grant date, converted at the closing £:US$ foreign exchange rate on that day. No other factors were taken into account in determining the fair value of the shares awarded under the DBSP.
(3) Variable vesting dependent on one to three years of continuous employment.

Historic plans

The historic plans, namely the executive directors loan funded share plan ("EDLFSP") and employee loan funded share plan ("ELFSP") 2011 Employee Option Scheme ("EOS") are no longer in use and all shares awarded have either being forfeited, lapsed or transferred to other schemes. The residual accrual in relation to these schemes has been expensed to the consolidated statement of comprehensive income.

29. Key management personnel compensation

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

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

	31 December 2016 US$	31 December 2015 US$
Short-term employee benefits	**8,011,016**	6,184,750
Long-term employee benefits	**-**	-
Post-employment benefits	**7,764**	22,025
Share-based payments	**2,310,743**	1,810,805
	10,329,523	8,017,580

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 22.

Equity interests in associates and jointly controlled arrangements

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

(b) Key management personnel compensation

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

(c) Key management personnel equity holdings

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

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

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

Since 31 December 2016 to the date of this report there have been no transactions notified to the Company under DTR 3.1.2.R.

The details of the movement in key management personnel equity holdings of fully paid ordinary shares in Centamin plc during the financial period ended 31 December 2015 are as follows:

31 December 2015	Balance at 1 January 2015	Granted as remuneration ("DBSP")	Granted as Remuneration ("RSP")	Net other change[1]	Balance at 31 December 2015
J El-Raghy	71,445,086	—	—	—	71,445,086
T Schultz	30,000	—	—	—	30,000
G Haslam	102,056	—	—	—	102,056
M Arnesen	15,000	—	—	34,000	49,000
M Bankes	150,000	—	—	—	150,000
K Tomlinson	24,400	—	—	—	24,400
A Pardey	2,185,000	—	900.000	(116,200)	2,968,800
Y El-Raghy	637,414	—	200,000	(56,781)	780,633
T Smith	300,000	—	400,000	(25,000)	675,000
A Davidson	450,000	—	200,000	(30,000)	620,000
L Gregory	300,000	—	150,000	(20,000)	430,000
D Le Masurier	300,000	—	200,000	—	500,000
H Brown	550,000	—	100,000	—	650,000

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

(d) Key management personnel share option holdings

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

30. Related party transactions (continued)

(e) Other transactions with key management personnel

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

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

(f) Transactions with the government of Egypt

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

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

(g) Gold Sales Agreement

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

(h) Transactions with other related parties

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

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

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

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

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

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

31. Dividends per share

The dividends paid in 2016 were US$46,072,599 and are reflected in the consolidated statement of the changes in equity for the period (2015: US$33,786,831).

A final dividend in respect of the year ended 31 December 2016 of 13.5 US cents per share, totalling US$155,534,578 has been proposed by the board of directors and is subject to shareholder approval at the annual general meeting on 21 March 2017. These financial statements do not reflect this dividend payable.

32. Subsequent events

As referred to in note 31 subsequent to the year end, the board of directors announced a final dividend for 2016 of 13.5 US cents per share. Subject to shareholder approval at the annual general meeting on 21 March 2017, the final dividend will be paid on 31 March 2017 to shareholders on the record date of 3 March 2017.

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

FORWARD LOOKING STATEMENTS

This report contains certain forward-looking statements. These statements are made by the directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward looking information.

Cautionary note regarding forward looking statements

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

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

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

Please refer to the technical report entitled “Mineral Resource and Reserve Estimate for the Sukari Gold Project, Egypt” effective on 30 June 2015 and issued on 23 October 2015 and filed on SEDAR at www.sedar.com, for further discussion of the extent to which the estimate of mineral resources/reserves may be materially affected by any known environmental, permitting, legal, title, taxation, socio-political, or other relevant issues as well as details of the qualified persons and quality control.

Information of a scientific or technical nature in this document have been prepared by qualified persons, as defined under the Canadian National Instrument 43-101.

This announcement contains ongoing regulated information and inside information for the purposes of Article 7 of EU Regulation 596/2014.

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