For immediate release

25 February 2019

CENTAMIN

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

Centamin plc unaudited results for the year ended 31 December 2018, annual guidance and proposed final dividend

Josef El-Raghy, Chairman, commented: “Ten years ago, we produced our first gold bar from Sukari, a seminal milestone in the Company’s history and the Egyptian modern mining industry. Today, we have produced in excess of 3.8Moz of gold from Sukari, with greater than 15 years scheduled future production from this global Tier 1 gold asset.

This year, against an operationally challenging backdrop, Centamin produced 472,418 oz of gold, delivered a solid cost performance and returned excellent exploration results across our portfolio of assets. Our workforce responded to the operational challenges with dexterity and professionalism and, together with a new team in place, are confident in returning Sukari back to its full potential.

We recognise the impact of these short-term challenges on the shareholder experience and would like to take this opportunity to thank you for your support and engagement. Free cash flow generated was US$63.4 million, demonstrating the underlying resilience and financial robustness of the business. The Board of Directors would like to recommend a final dividend of 3.0 US cents (subject to AGM approval), bringing the 2018 total dividend to 5.5 US cents, equivalent to approximately 100% of free cash flow to shareholders.

Financial Highlights[1,2,3,4]

- In accordance with Company dividend policy, proposed final dividend of 3.0 US cents per share (US$34.6 million) bringing 2018 total dividend to 5.5 US cents per share (US$63.5 million); equating to c.100% of free cash flow generated returned to shareholders;
- Revenue of US$603.2 million, an 11% decrease on 2017 (“YoY”), driven by gold sales of 484,322 ounces, a 10% decrease YoY; Average realised gold price of US$1,267 per ounce, largely unchanged YoY;
- Cash costs of production[1,2] of US$289.4 million, a 4% decrease YoY, driven by increase in stockpiles, further reduction in collective stores inventory and improved open pit productivity; collectively offsetting inflationary cost pressures from rising input costs, such as fuel and reagents, and increased consumption, as a result of increased volumes mined and processed;
- Unit cash cost [1,2] increased by 13% YoY to US$624 per ounce produced, in line with reduction in ounces produced;
- All-in sustaining costs (“AISC” [1,2]) of US$420.1 million, largely maintained YoY;
- Unit AISC[1,2] increased 12% YoY to US$884 per ounce sold, in line with reduction in ounces sold;
- EBITDA[1,2,4] of US$257.9 million, a 17% decrease YoY, predominantly driven by reduced volumes of production and increased operating costs;
- Profit before tax[4] of US$152.7 million, a 26% decrease YoY, due to the factors outlined above;
- Royalties of US$18.4 million payable to Arab Republic of Egypt (“ARE”) and profit share of US$76.4 million paid to Egyptian Minerals Resources Authority (“EMRA”), the Company’s government partners;
- Basic earnings per share [2,4] (“EPS”) of 6.5 US cents, a 22% decrease YoY, principally reflecting the scheduled ratchet from a 60:40 ratio to 55:45 (Centamin:EMRA) in the Sukari Gold Mine (“Sukari”) profit share mechanism from July 2018, as detailed under the terms of the Concession Agreement, and reduced production;
- Operational cash flow of US$223.4 million, a 34% decrease YoY, due to the factors mentioned above and a 7% increase in mine production costs driven by increased volumes of material moved;
- Free cash flow[1] generated of US$63.4 million in 2018, down 56% YoY, due to reduced volume produced and scheduled change in profit share economics;
- Cash and liquid assets[1,3] of US$322.3 million, at 31 December 2018, after distribution of the interim dividend of US$28.9 million (2.5 US cents per share) on 28 September 2018; and
- The Company remains debt-free and unhedged.
- The consolidated financial information for the year ended 31 December 2018 was approved for issue by the Board of directors of the Company on 25 February 2019. The consolidated financial information is unaudited but is derived from the Group’s full financial accounts, which are in the final stages of being audited.

	units	Year ended 31 Dec 2018	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Year ended 31 Dec 2017	Q4 2017
Gold produced	oz	**472,418**	137,600	117,720	92,803	124,296	544,658	154,298
Gold sold	oz	**484,322**	148,851	106,798	97,628	131,045	539,726	153,490
Cash cost of production (1,2)	US$'000	**289,394**	82,579	70,874	64,630	71,312	301,706	69,965
Unit cash cost of production	US$/oz produced	**624**	609	619	714	581	554	453
AISC (1,2)	US$'000	**420,116**	118,911	92,056	102,211	106,939	426,466	114,247
Unit AISC (1,2)	US$/oz sold	**884**	809	889	1,073	825	790	744
Average realised gold price	US$/oz	**1,267**	1,235	1,206	1,298	1,328	1,261	1,278
Revenue	US$'000	**603,248**	181,730	125,127	123,929	172,462	675,510	190,413
EBITDA (1,2)	US$'000	**257,934**	79,460	48,746	45,774	83,954	309,197	99,298
Profit before tax(4)	US$'000	**152,702**	50,490	21,836	21,977	58,399	207,365	77,348
Basic EPS (2) (4)	US cents	**6.50**	1.69	0.93	1.32	2.56	8.38	3.78
Sustaining capex incl. Sukari exploration(4)	US$'000	**96,779.0**	21,090	21,812	28,798	25,079	87,167	28,421
Operating cash flow(4)	US$'000	**223,404**	73,439	27,303	37,247	85,415	337,093	106,566
Free cash flow (1) (4)	US$'000	**63,429**	28,652	(1,298)	1,594	34,481	145,551	49,060

Operational Highlights[1,2]

- Group Lost Time Injury Frequency Rate ("LTIFR") of 0.06 per 200,000 workplace hours, a 76% reduction YoY, with two lost-time injuries, a reflection of our ongoing focus and commitment on health and safety;
- Sukari Gold Mine ("Sukari") produced 472,418 ounces, a 13% reduction YoY;
- Record open pit material movement of 77.9Mt, an 10% increase YoY, including record open pit ore mined of 23.1Mt, a 44% increase YoY, as mining of the Stage 4 transitional zone was completed and progressed into the higher-grade sulphide material, the predominant source of ore from the open pit for the next three years;
- Open pit average milled grade was 0.76g/t, a 15% decrease YoY;
- The run of mine ("ROM") ore stockpile increased from 2.18Mt (at 0.51 g/t) at 31 December 2017, to 12.22Mt (at 0.47g/t) at 31 December 2018, with 7.7Mt at 0.44g/t now classified as longer term stockpiles and including 1.6Mt at 0.37g/t expensed due to the change in stockpiles cut-off grade;
- Total underground ore mining of 1.24Mt, a 9% increase YoY, at an average mined grade of 5.69g/t, a 31% decrease YoY due to increased dilution from the cascading stopes in the Amun zone and increased tonnes of lower grade development ore;
- Cleopatra decline development completed 2,260 metres, delivering 185,333 tonnes of ore at an average mined grade of 1.74g/t, resulting in 8,959 ounces produced;
- The second long-hole drill rig ("LHDR") is on site and commissioned; and
- Plant throughput of 12.6Mt, a 4% increase YoY, at a head grade of 1.26g/t, a 20% decrease YoY.

2019 Outlook[7]

- Gold production guidance of 490,000 – 520,000 ounces for 2019, with increased stripping in the open pit balanced by estimated higher average grades.
- Cash cost of production in 2019 are expected to be between US$675-US$725 per ounce produced and AISC between US$890-US$950 per ounce sold.
- Increase in forecast costs account for increased volumes scheduled to be mined from the open pit, including stripping for Stage 5. Going forward costs will benefit from existing and new cost optimisation initiatives, including the construction of a 40MW (AC) solar plant for which the feasibility design study is being prepared for Board approval.
- Open pit mining will continue predominantly in Stage 4, with grades improving towards the reserve grade throughout the first half ("H1"), with waste stripping to commence on Stage 5. Stripping ratio is expected to increase to 5.85:1.
- Underground mining is focussed in the lower Amun/Osiris flats and Ptah zone. A split of 75:25 stoping to development is expected.
- Guidance provided is annual. The mine plan schedules a progressive quarter on quarter performance, with the underground contribution largely consistent, and the open pit increasing as the grade improves with depth. The first quarter ("Q1") is scheduled to be 105-115koz accounting for increased movement of waste material from Stage 4 and 5.
- Underground decline development scheduled to progress at the Cleopatra decline and Amun/Ptah decline, preparing access to future stoping and further exploration access to Bast and Top of Horus, supporting near and long-term growth upside.

- Capital expenditure of US$118 million, of which US$89.2 million is sustaining capital investment, including ongoing underground development and phased fleet rebuild programme. Capital expenditure for the solar farm and new TSF, remain subject to board approval, and therefore have not been included in published cost estimates.
- Following the exploration success of 2018, the Group exploration budget (sustaining and non-sustaining spend) of US$40 million is targeting reserve and resource expansion at Sukari underground, Doropo Project and ABC Project, while identifying new scalable targets for future exploration and growth upside.

[1] 2019 guidance is based on the following assumptions: average gold price of US$1,250/oz; Average oil price of diesel fuel oil at US$0.60/litre.

Exploration Highlights(4)
In 2018, the intensive exploration programme across the portfolio of assets, including a total 150,000 metres of drilling, delivered excellent results.

Group Mineral Resource and Reserve Update(5)

- The Group consolidated mineral resource has grown to 15.7Moz measured and indicated, a 5% increase on 2017 statements.
- Sukari measured and indicated mineral resource of 11.0Moz at 1.07g/t gold, a 6% decrease in contained metal and a 4% increase in grade, driven predominantly by mining depletion.
- Sukari proven and probable mineral reserves of 7.25Moz proven and probable, a 9% decrease, driven by mine depletion and increased cut-off, adjusting for higher input costs.
- Sukari open pit proven and probable reserves of 6.2Moz at 1.1g/t gold, underpinning greater than 15 years of sustainable production at current mining rates.
- Sukari underground:
    - Successfully replaced reserves in excess of mining depletion and increased reserve grade by 11%: 4.4Mt at 5.6g/t gold for 0.8Moz of proven and probable reserves;
    - 14% increase in measured and indicated resources, driven by 9% increase in tonnes and 5% increase in grade: 8.1Mt at 7.1g/t gold for 1.85Moz of measured and indicated resources; and
    - 40% conversion to highest confidence category: 2.8Mt at 8.3g/t gold, for 0.77Moz of Measured resources, driven by a 47% increase in tonnes and a 6% decrease in grade.
- Doropo Project (as previously announced) mineral resource of 2.13Moz indicated and 0.8Moz inferred, a 58% increase in indicated ounces, driven by a 55% increase in resource tonnes to 50Mt at 1.31 g/t gold.
- ABC Project maiden mineral resource of 19.6Mt at 1.03 g/t gold for 650koz indicated, and 450koz inferred resource.

Exploration upside(6)

- Sukari updated reserve and resource effective date 30 June 2018. Continuous exploration throughout H2 returned very strong results and generated highly prospective target extensions to the existing Amun and Ptah underground:
Drill highlights:	8m @ 180g/t
(outside R&R)	3m @ 428g/t
	15m @ 18.5 g/t
	1.2m @ 563g/t
	3.6m @ 176g/t
- Delineated previously underexplored structures within the Cleopatra zone. Decline development and ore drives scheduled to progress c.2000 metres in 2019:
Drill highlights:	1m @ 110.9g/t
	4.2m @ 18.3g/t
	2.5m @ 12.3g/t
	7m @ 4.7g/t
	4.2m @ 5.7g/t
- As announced on 15 February 2019, an increase on the Doropo Project 2017 maiden mineral resource by 58% to 2.13Moz indicated and 0.8Moz inferred resources and generated significant upside targets with the main structure open along strike and depth:
Drill highlights:	18m @ 10.4g/t
	4m @ 39.7g/t
	13m @ 11.2 g/t
	37m @ 6.4g/t
	7m @ 23.4g/t
- Doropo Preliminary Economic Assessment and supporting viability studies are progressing on schedule for completion in early H2.
- As announced on 15 February 2019 the maiden resource of 650koz indicated and 450koz inferred resource declared at our greenfield project, ABC Prospect:

Drill highlights:	44m @ 2.5g/t
(outside resource)	7.8m @ 3.2 g/t
	100m @ 0.8g/t
	9m @ 2.7g/t
	17m @ 2.6g/t

60m @ 1.2g/t

- 150,000 metres drilling budgeted for 2019 focusing on reserve replacement, resource expansion, unlocking further value from our portfolio by identifying scalable targets with potential to meet our growth and cost project objectives.

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 relating to production guidance, Sukari reserve and resource information and dividend information.

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(1) Cash cost of production, AISC, EBITDA and cash, bullion on hand, gold sales receivables, financial assets at fair value through other comprehensive income and free cash flow are non-GAAP measures and are defined at the end of the Financial Review section.
(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 8 of the financial information for further details).
(3) Cash and cash equivalents, bullion on hand, gold sales receivables and financial assets at fair value through other comprehensive income.
(4) The Group accounting policy for Greenfield exploration expenditure, has been updated in line with market practice. This has resulted in prior period results being restated. Accordingly, YoY comparatives are on a consistent basis. For full details, please refer to Note 1 of the financial information.
(5) Cut-off grades vary from asset to asset. Please refer to the detailed mineral reserve and resource tables with in the section Mineral Reserve and Resource Statements, including all details of Qualified Persons and associated notes.
(6) This is a subjective selection of intercepts for illustration. Please refer to the expanded drill highlights tables found in the Exploration Review.
(7) 2019 guidance is based on the following assumptions: average gold price of US$1,250/oz; Average oil price of diesel fuel oil US$0.60/litre.

Results Conference Call

The Company will host a conference call to discuss the results with investors and analysts at 11.00 GMT/06.00 EST on 25 February 2019. Please find below the required access details. Where possible, please dial in 10 minutes before. The Results Presentation can be found on the Company website: www.centamin.com/investors/presentations/2018 ahead of the call.

Participant code: 35168972#

UK Toll: +44 (0)3333 000 804
UK Toll Free: 0800 358 9473
Canada/US Toll: +1 631 913 1422
Canada/US Toll: +1 855 85 70686

The conference call will be made available for replay by 15.00 GMT on the website www.centamin.com/media/press-releases/2019.

For further information, please visit the website www.centamin.com or contact:

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CHAIRMAN'S STATEMENT

Dear shareholders,

On behalf of the Board, herewith, I would like to present the 2018 results.

Purpose Driven Growth

Ten years ago, we produced our first gold bar from Sukari, a seminal milestone in the Company's history and the Egyptian modern mining industry. Today, we have produced in excess of 3.8Moz of gold from Sukari, with greater than 15 years scheduled future production from this global Tier 1 gold asset.

I would personally like to thank our partners, the Egyptian Mineral Resource Authority ("EMRA"), for their support over the years - our shared vision of what we can, and have, achieved together is testament to the success of that partnership. Mining has yet to fulfil its true potential in Egypt, providing jobs, infrastructure, community opportunities, in addition to direct fiscal revenues through royalties and profit share. We look forward to continuing to work in partnership with EMRA to ensure Egypt develops its gold resources for future generations, delivering long-term economic growth to the benefit of the country and all of our other stakeholders.

2018 Performance

This year, against an operationally challenging backdrop, Centamin produced 472,418 oz of gold, beat cost guidance and returned excellent exploration results across our portfolio of assets. Our workforce responded to the operational challenges with dexterity and professionalism.

Throughout 2018, the Company was in regular communication with you, its shareholders, and the broader market to revise expectations in accordance with the operational challenges faced. We recognise the impact of these short-term revisions on the shareholder experience and would like to take this opportunity to thank you for your support and engagement. Together, we demonstrated the underlying resilience and financial robustness of the business and continued to make progress in delivering on our strategy.

Clear Strategy

Centamin's core strategy remains focussed and consistent: deliver organic growth by optimising the performance of our existing operation, while progressing an active pipeline of future growth prospects through the discovery and development of orebodies that meet our operational and cost objectives. Stringent cost management and closely managed disciplined capital allocation has delivered another year of meaningful cash generated from operations of US$223.4 million.

During 2018, we successfully delivered on most of our strategic pillars: Financial Flexibility, Stakeholder Returns and Active Growth Pipeline objectives and made marked progress on Sustainability objectives. Operational developments in 2018 meant we could not deliver against all the objectives set within our Asset Quality strategic pillar. Solutions implemented throughout the year demonstrated good progress: we fully exited the transitional zone, a spare LHDR is on site and operational, and we continue to work through the factors driving increased dilution in the underground, demonstrated by quarter improvements. While this remains a core area of focus, we believe we have navigated the challenges and have the right strategy in place to deliver on our promises in 2019 and beyond.

Reliable Stakeholder Returns

Centamin aims to generate tangible value for each of its stakeholders, thereby contributing to the socio-economic development of its host countries and supporting long-term sustainable operations to the benefit of its employees, partners and communities. The Group workforce consists of 1,500 direct employees, 94% are local to the country of the asset, and a further 840 contractors, of which 87% are employed locally. Operating and growing a regional hub-based approach lends itself to a cultural, ethnic and gender diverse workforce.

In 2018, Centamin generated and distributed a total US$99.6 million to our host country governments by way of profit share, royalties, tax and license fees, and a further US$40.8 million paid to employees in benefits and salaries. Throughout the year, proactive local engagement with the communities we operate within has been a critical process in ensuring we understand their needs to effectively develop and deliver mutually beneficial sustainable initiatives.

Our aggressive approach to managing the bottom line, and thereby maximising cash flow, resulted in free cash flow generation of US$63.4 million, after the aforementioned stakeholder returns, in spite of a 13% decrease in gold production. In line with the Company's sustainable dividend policy, the Board of Directors are pleased to propose a final dividend for 2018 of 3.0 US cents per share, for shareholder approval at the upcoming Annual General Meeting ("AGM"). The Board returned US$28.9 million to shareholders as an interim dividend of 2.5 US cents per share. The proposed total dividend of 5.5 US cents per share, equal to US$63.5 million cash dividend pay-out for 2018 is equivalent to returning 100% of free cash flow to shareholders.

The Company is in a strong financial position with cash and liquid assets of US$322.3 million, as at 31 December 2018, and no debt or hedging in place. The Board continues to review capital allocation opportunities in line with the Company's growth and cost objectives, We have a number of growth opportunities within our portfolio which we will progress until a stage we can measure them against our internal growth and cost objectives. The Company has a sustainable dividend policy in place, having returned US$418.7 million over the last five years (excluding the proposed 2018 final dividend) and regularly reviews alternative means of returning capital to shareholders.

Maintaining a Strong Board for the Future

There has been a key focus throughout 2018 on succession planning and recruitment across the Group, not just at Board level. Routine review of the operational organisation structure and emphasis on professional development has resulted in multiple internal promotions and successful external recruitment, ensuring we have the right team to deliver our strategy. Sukari is operated from the ground, on a regional-hub approach, led by the General Manager. As Doropo continues to progress up the value-chain towards potential development, we are expanding the regional team ensuring we have the right people in place to deliver the next stage.

At the Board level, we are delighted to welcome Dr Ibrahim Fawzy as an independent Non-Executive Director. Dr Fawzy is a pioneer who has been responsible for driving and developing Egyptian industry reform through the wide range of senior positions he has held over many years. His extensive experience within the public and private sectors will be an excellent complement to the corporate strategy and the strength of our existing balanced, multi-disciplinary Board.

In March, Trevor Schultz stepped down from the Board having been with the Company for twelve years, much of which was successfully leading the phased construction of Egypt's first modern mechanised gold mine. We wish him well in his future endeavours and look forward to preserving his legacy as we continue to maximise operational efficiency of Sukari's infrastructure, as delivered in 2018 with the plant throughput in excess of design capacity and improved recoveries.

Succession planning will continue with vigour into 2019, maintaining a strong Board for the now and the future. The Nomination Committee is actively pursuing the further appointment of three independent non-executive directors, specifically with technical and capital market expertise. In particular, one individual who will succeed myself, as non-executive chairman, guiding the Board, Management and Company forward in achieving the future decade of milestones.

Material Upside

We start the tenth year of commercial production with an increased production outlook of 490,000 – 520,000 ounces, as we are actively working through the outstanding factors impacting underground dilution at Sukari. These actions include the installation of a Cemented Hydra Fill plant, which will be used to stabilise the stoping voids and reduce the impact of dilution through cascading.

In 2018, we were able to contain our cost pressures on an absolute basis; however, in 2019 we forecast an 11% increase in cash costs per ounce and a 5% increase in all-in sustaining costs per ounce. This is largely driven by increasing input costs, due to the increased volumes in both mining and processing, as well as rising fuel, reagent and consumable prices. The Company is in the final stages of a detailed design and feasibility study for a solar farm that could ultimately produce c. 40MW(AC). Once installed, this will deliver significant cost saving and environmental benefits, reducing our reliance on fossil fuels.

This year we grew our global resource by 5% to 15.7Moz, predominantly driven by increased contribution from our Cote d'Ivoire assets. Sukari underground reserves were replaced in excess of mining depletion, delivering on our primary underground exploration objective. We remain confident in delivering further Group reserve and resource growth supported by consistent investment into exploration, potentially shaping future development prospects outside of Egypt as well as defining additional sources of high-grade tonnes at Sukari.

Corporately we always look for an opportunity to increase our landholding within the underexplored Arabian Nubian Shield, leveraging off of our established in country foundation, workforce, resources and technical expertise. Centamin, through the construction and operation of Sukari has attracted in excess of US$1 billion in foreign investment into Egypt, the success of which makes us the largest direct financial investor in mining. We continue to work closely with EMRA and would support fiscally fair and commercial terms to unlock Egypt's resource potential and attract more foreign investments, for the benefit of the country.

We welcome you to attend the AGM, which will be held in Jersey on 8 April 2019. The AGM result in 2018 required immediate action by the board and a consultation process was undertaken with shareholders and proxy advisory groups to address their concerns and understand the reasons for the significant votes cast against the members of the remuneration committee and the remuneration policy/report. Following that review process and taking account of feedback following the consultation process, the board are pleased to recommend the approval of the updated remuneration policy, remuneration report and performance share plan to shareholders at the forthcoming AGM in April 2019.

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

Josef El-Raghy
Chairman

25 February 2019

Final Dividend Declaration

Final Dividend

In accordance with Centamin's dividend policy, the Board of Directors propose to pay a Final Dividend of 3.0 US cents per ordinary shares, equal to US$34.6 million. This would bring the 2018 total dividend to 5.5 US cents per ordinary shares, totalling US$63.5 million, which is equivalent to returning approximately 100% of free cash flow generated to shareholders.

The Final Dividend will be paid on 13 May 2019 to shareholders on the register on the Record Date of 23 April 2019. The Final Dividend will be paid in US Dollars ("USD"), with an option for shareholders to elect to receive the dividend in Pounds Sterling ("GBP"). Currency elections should be made no later than 29 April 2019 with further details of how to do so on the Company's website http://www.centamin.com/investors/shareholder-services/dividend-information. Payments in GBP will be based on the USD/GBP exchange rate on 30 April 2019 and the rate applied will be published on the website on the 1 May 2019.

London Stock Exchange and Toronto Stock Exchange (T+2)

EX-DIV DATE: 18 April 2019
RECORD DATE: 23 April 2019
LAST DATE FOR RECEIPT OF CURRENCY ELECTIONS: 29 April 2019
PAY DATE: 13 May 2019

The Company's total issued share capital is 1,154,722,984 ordinary shares.

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.

REGULATORY UPDATE

Canadian – Foreign Issuer

As at 1 January 2019 Centamin plc is a “designated foreign issuer” within the meaning of the National Instrument 71-102 – Continuous Disclosure and Other Exemptions Relating to Foreign Issuers and is subject to the foreign regulatory requirements of the London Stock Exchange.” As such, Centamin plc is exempt from certain requirements otherwise imposed on reporting issuers in Canada. This status will mean that the preparation of quarterly financial statements and MD&A will not be required in 2019. Quarterly preliminary costs and production will, however, be published following each quarter end.

CEO STATEMENT

CEO Statement

As we reflect on 2018, I want to start by thanking you, our shareholders, for your loyal support and contribution. Engagement with shareholders and more broadly stakeholders is critical to the success of our business.

Sustainability

Significant health, safety and environmental risks that affect the mining industry, affect us and how we operate. We believe it is crucial to learn from our peers, particularly in times of catastrophe, to understand our exposure to certain risks and ensure we have taken the necessary actions to mitigate against this happening.

The health, safety and wellbeing of our workforce, is central to our corporate culture. In 2018 we reduced our Group lost time injury frequency rate by 76% to 0.06 per 200,000 workplace hours. It is with much sadness that earlier this month a drilling contractor, working at one of our Ivorian projects, was attacked by a swarm of killer bees. He sustained serious injuries and although he was rushed to the nearest facility for treatment, he later died. Our aim is to create an environment such that every person, employee and contractors, return home safely at the end of their shift – every incident, minor or serious, we learn from and look to apply ways of improving our work environment.

There were no major environmental incidents to report during the year and there has been a reported reduction in low or minor incidents. The industry has been shaken by recent catastrophic tailings dam collapses. Centamin has one purpose-built active downstream tailings storage facility (“TSF”) at Sukari. The latest review confirmed the structural integrity of the TSF however a recommendation required managing surface water levels off the TSF. Given the arid environment where the TSF is located, evaporation and re-use of the surface water through the plant provides adequate opportunity to manage this recommendation. We are also in the process of completing an external engineering study to build a second active downstream TSF, targeted for completion in 2024.

Improvements for a better Sukari

This year Centamin’s performance was marred by operational challenges experienced in the open pit and underground at Sukari. As a team, our focus has been on resolving the challenges and improving how we run the operations. Total production for 2018 was 472,418 ounces, a 13% reduction on 2017 (“YoY”). We have taken several corrective actions throughout 2018 to address in part the issues faced and mitigate future impact, including personnel changes in order to strengthen our operational leadership team, implementing improved controls, new underground technologies and closer management of underground operations, ensuring improved efficiency. There is further work to be done to return the operations back to a stable and reliable run rate and we are confident we have the right strategy in place to deliver on our objectives.

The open pit, following another record quarter for material moved and ore mined, delivered higher grades as mining progressed deeper into Stage 4. This will continue into 2019 as grades improve towards 1g/t. Open pit equipment availability, productivity and utilisation rates were excellent this year, as we mined through the transitional zone as quickly and efficiently as possible. In 2019, stripping will commence on Stage 5 transitional zone whilst ore mining will remain predominantly on Stage 4.

Costs kept under tight control

We remain firmly focussed on managing the bottom line as we continue to deliver on long-term cost reduction initiatives and actively assess new cost reduction opportunities. Despite reduced production output and increasing cost input pressures, in 2018 we delivered costs comfortably within the bottom half of the global gold producing cost curve. Total unit cash costs of production of US$624/oz gold produced, up 13% YoY, and all-in sustaining costs of US$884/oz gold sold, up 12% YoY. Importantly, our absolute cost base remained broadly flat: total cash costs of production of US$289 million, a 4% reduction YoY, and all-in sustaining cost of US$420 million, a 1% reduction YoY. Where the build-up in stockpiles throughout the year helped to reduce costs, key focus areas for cost savings have been around improvements to fleet scheduling and utilisation, resulting in less trucks per unit moved; continued improvements in working capital, including significant reduction in warehouse stores inventory; and renegotiation of improved commercial terms on some key supply contracts.

Delivering organic growth

Exploration remains the foundation of our business. Continuous investment in exploration at Sukari allows us to continually improve our geological knowledge. Our objective is reserve replacement and resource expansion and again we have delivered that this year - replacing underground reserves in excess of underground mining and increased the underground Measured & Indicated grade by 5%. We continue to unlock the full potential of the underground. The orebody remains open at depth, to the south, and structurally within the porphyry.

Throughout the year we increased our exploration activity in Cote d’Ivoire and we are delighted with the results. Doropo continues to demonstrate the potential to be our next organic development project. Ongoing exploration and concurrent viability studies will further unlock the potential future scale of this project as we assess the economics against our internal project value creation criteria. The PEA is progressing well and we look forward to reporting the results to the market at the end of H2 2019. Delivery of a maiden reserve and further feasibility work are critical milestones for 2019, ahead of a Board decision on capital allocated for development.

The success and scale of the 2018 ABC discovery results and the reporting of the maiden Kona South resource in less than two years of active exploration, highlights the scale and quality of the Lolosso Gold Corridor and the regional generative potential of the ABC land package. We have only scratched the surface of the potential of these assets, and we will maintain the intensity of our exploration programme in 2019 to define further quality gold ounces.

CEO STATEMENT

Generating significant cash flow
The Group generated cash flow from operations of US$223.4 million, invested US$89.2 million in sustaining and exploration capital and distributing US$76.4 million to our Egyptian state partners, EMRA, by way of profit share, resulting in group free cash flow generated of US$63.4 million. In the short-to medium-term, there continues to be a sustainable level of free cash flow generation, excluding any growth from additional sources of ore and material benefits from cost savings initiatives.

The Company is in a strong financial position, with cash and liquid assets of US$322.3 million as at 31 December 2018. We are confident we have the financial flexibility and agility to drive organic growth through our highly prospective exploration pipeline and are well positioned to take advantage of any market opportunities suitable for your business and growth strategy. Shareholder returns are a strategic priority. The Company has a sustainable dividend policy in place, delivering a fifth consecutive year dividend pay-out, and the Board regularly review alternative means of delivering shareholder returns.

2019 outlook and beyond
We enter 2019 with the same focus on driving operational efficiencies, always looking for opportunities to further optimise the operations whether it be through continued investment in talented people, new technology or through adaptation of existing process and procedures. Our production guidance for 2019 is 490,000 – 520,000 ounces, for total cash costs of US$675 – US$725/oz produced and all-in sustaining costs of US$890-US$950/oz sold.

The Sukari mine plan production is weighted towards the second half of the year, with approximately 55% of ounces produced across Q3 and Q4 2019. The main factor being the open pit, as Stage 4 grade improves with depth, balanced with increased stripping following the challenges with the transitional zone last year and stripping of Stage 5. Q1 is scheduled to be the weakest quarter, budgeting for 105-115koz. The open pit is performing in line with expectations and the focus is on the resolving the factors driving increased dilution from the underground, including a new stoping plan and backfill plant.

Several key personnel changes have been made at an operational level in Q4 2018 and continuing in Q1 2019, this presents increased short-term risks for significant medium and long-term benefits.

We are confident we have the right strategy and personnel on-site to achieve on our main objective, returning Sukari to consistent and steady state production. Our strategy has always been to maximise margins through tight cost controls, deliver operational efficiencies and therefore enabling reliable returns to shareholders. By maintaining a strong balance sheet, we also have the ability to capitalise on opportunities for growth.

Andrew Pardey
Chief Executive Officer

25 February 2019

OPERATIONAL REVIEW

OPERATIONAL REVIEW

Our operational track record is one of the key measure of our progress. This is underpinned by an entrepreneurial culture, striving to find improvements across all sections of the mine. In 2018, challenges experienced in the open pit and underground mining operations impacted the total volume produced. Consequently, record material mined from the open pit and underground and record ore processed are a few parameters demonstrating the increased productivity achieved.

Health and safety

Workplace health and safety is central to our culture. The daily onsite departmental meeting begins with a discussion on HSES matters as the topmost priority.

In 2018, the LTIFR for Sukari was 0.07 per 200,000 hours worked (2017: 0.26), with a total of 5,784,130 hours worked (2017: 5,464,321).

There was a notable improvement during 2018. Improvements included implementing measures to reduce task related hazards by ensuring that employees completed a Take 5 safety checklist prior to starting any job or by conducting a Job Safety Analysis for all non-routine tasks; There was an improvement in the follow up and close out of corrective actions and recommendations that were raised from incident investigations by ensuring that actions were physically verified before closing out; Additional programs to promote safety leadership were implemented which included a weekly, General Manager led, HSES dominated review of different areas.

Centamin remains committed to further improving health and safety during 2019 towards our zero-harm target. Further details of the safety initiatives, employee welfare and relevant government relations are set out in the CSR report.

Production

Gold production for 2018 was 472,418 ounces, a 13% reduction on the prior year (2017: 544,658oz) driven by lower than expected grade from open pit and underground.

The open pit operations produced 239,687 ounces, a 13% reduction on the prior year (2017: 274,017oz) and the underground operations produced 211,250 ounces, a 18% reduction on the prior year (2017: 257,100oz). The dump leach operations produced 15,219 ounces, a 77% increase on the prior year (2017: 8,597oz) resulting from the increased material delivered to the dump leach as open pit mining progressed through the upper levels of Stage 4. Cleopatra underground decline development in porphyry resulted in the production of 8,959 ounces (2017: 4,944oz).

Full year production guidance was revised during 2018 in response to operational challenges faced: lower grades delivered from the open pit in the first half of 2018, as mining progressed through the transitional zone; disruption to the underground stoping sequence in Q2, resulting from a damaged rig; and unplanned dilution from the cascading stopes in the Amun underground. The Company identified, evaluated and implemented solutions, reporting and monitoring results throughout the year. The results of which are reported here and throughout the year.

IDENTIFY	EVALUATE	IMPLEMENT SOLUTIONS	RESULTS & MONITORING
Factors impacting performance	**Cause**	**Response**	**Outcome**
Open pit grade	• Transitional zone thicker than expected with lower than expected grades	✓ Enhanced grade control drilling ✓ Personnel change ✓ Increase mining rates and volumes to access sulphides as efficiently (time and cost) as possible	✓ Stage 4 mining of the transitional zone completed in Q3 ✓ 20% increase in ore tonnes, driving a significant increase in stockpile inventory ✓ Effective scheduling resulted in less trucks utilised to move record material
Underground stope tonnage	• Long hole drill rig ("LHDR") damaged, causing disruptions and temporary suspension of stoping • Increased volume of cascade stoping (bulk tonnage mining method) leading to increased dilution	✓ Repaired LHDR ✓ Deferred stoping sequence, did not sterilise any stopes ✓ Backup LHDR ordered ✓ Assessed alternative mining methods ✓ Personnel changes ✓ Installation of CHF backfill plant	✓ LHDR fully operational; No equipment utilisation or availability issues to report; ✓ Second LHDR operational ✓ Reduction in total tonnage impacted by cascading stoping, increasing mined ore grade ✓ Stope stability
Underground development grade	• Increased development tonnages due to lower stoping production	✓ Personnel changes ✓ Staged implementation of underground planning, design and	✓ Multiple new technical appointments ✓ Deswik integration underway

OPERATIONAL REVIEW

		scheduling software, Deswik	
Underground stope grade	• Greater than expected dilution from high-volume mining method (cascade stope mining)	✓ Reducing contribution from higher dilution mining methods ✓ Improved controls continue to be implemented ✓ Personnel changes ✓ Installation of CHF backfill plant	✓ Good initial improvement in operational efficiencies ✓ Core focus, to achieve optimal results ✓ Stope stability

In 2019, annual production guidance is expected to be 490,000 – 520,000 ounces, supported by a robust updated life of mine plan and ongoing focus on improving operational efficiencies, in particular resolving the ongoing impact of unplanned dilution and mitigating future risks.

Costs

The cash costs of production for 2018 was US$624 per ounce produced, a 13% increase on the prior year, and the all-in sustaining cost was US$884 per ounce sold, a 12% increase on the prior year, due to lower volume of gold produced and sold year-on-year. Both were in line with market guidance.

In 2019, cash cost of production are expected to be between US$675-US$725 per ounce produced and all-in-sustaining cost ("AISC") between US$890-US$950 per ounce sold. Increase in forecast costs account for increased volumes mined. Focus remains on progressing long and near-term cost savings initiatives.

Open pit

The open pit delivered total material movement of 77.9 Mt, a 10% increase on the prior year (2017: 70.9 Mt). This increase was related to opening up mining in two main areas - Stage 4North and 4West, coupled with good equipment availabilities and focus on increasing equipment utilisation.

Ore mined from the open pit was 23.1 Mt at 0.60 g/t, a 44% increase on the prior year (2017: 16.1Mt), due to increased volumes mined from the transitional zone of Stage 4. The open pit delivered 11.1Mt or ore at an average feed grade of 0.76g/t to the plant and 2.0Mt at an average grade of 0.37g/t to the dump leach pads. The mine ROM ore stockpile increased from 2.18Mt (at 0.51 g/t) at 31 December 2017, to 12.22Mt (at 0.47g/t) at 31 December 2018, with 7.7Mt at 0.44g/t now classified as longer term stockpiles and including 1.6Mt at 0.37g/t expensed due to the change in stockpiles cut-off grade.

The strip ratio was 2.37, a reduction from 3.4 in 2017, based primarily on the increased tonnage of low grade and dump leach material mined.

In 2019, total ore volumes mined are expected to be approximately 50% lower and strip ratio is scheduled to increase to 5.85:1, as the orebody tightens with depth. Mining will continue to focus on Stage 4, scheduled to deliver on average 1.0g/t ore. Early stage preparatory waste stripping will commence on Stage 5 during 2019 delivering small volumes of low-grade material. Stage 4 will continue to be the primary source of ore into 2020 and 2021, when Stage 5 fully comes into production.

Underground mine

The underground mine produced 1.24Mt of ore, a 9% increase on the prior year (2017: 1.14 Mt). Ore from stoping accounted for 59% (0.74 Mt) of the total, with the balance of ore (0.50 Mt) from development. The average mined head grade was 5.69 g/t, comprising 6.5g/t from stoping (2017: 8.9 g/t) and 4.5g/t from development (2017: 7.4 g/t), a 27% and 39% decrease, respectively on the prior year.

Underground development advanced 7,349 metres, comprising 3,459 metres in Amun and 3,741 metres in Ptah. A further 149m was developed in the Horus Decline (which is accessed from the bottom of the Amun Decline) to just below the 590 Level. The Ptah Decline was progressed 247 metres to just below the 590 Level, which is nearly 500 metres vertically below the portal.

Production equipment availability and utilisation issues experienced at the end of Q1, and early Q2, predominantly due to recurring damage to the long hole drill rig ("LHDR"), reducing stoping volumes and leading to an increased mix of lower grade ore-drive development tonnes.

As the year progressed, stope production increased such that by year end, production was weighted 60% stoping and 40% development. Over the course of the year, additional development was undertaken in the Amun zone, resulting in 50% more ounces produced from development than scheduled. This was due to, 1) equipment availability disruptions, and 2) delineation of additional ore along the lower Amun ore drives which were otherwise planned for completion in 2019. For the Ptah zone, development was in line with planned tonnes.

Furthermore, stope grades were impacted by greater than scheduled dilution from low grade porphyry material in the open cascading stopes in the Amun zone. Amun stoping exceeded planned tonnage by 17% though grade was down by 23% on account of unplanned cascading stopes as a result of increased dilution. For Ptah, stope production was 47% of planned tonnage, though grade was 26% higher as lower tonnage, high grade stopes in the Ptah sediments were prioritised over lower grade, bulk stopes.

A total of 14,073 metres of grade control drilling was completed, aimed at short term mine planning and resource development. A further 41,685 metres of underground diamond drilling continued to test for reserve extensions below the current Amun and Ptah zones, with extensive drilling also being undertaken at the Cleopatra zone at the north of the Sukari porphyry. Further details and underground drilling results are discussed in the Exploration Review.

OPERATIONAL REVIEW

In 2019, the plan for the underground mine revolves around development and stope production in the Amun and Ptah zones and to establish development in the Ptah Eastern stockworks, combined with continued development of the Horus and Ptah declines to open up new production fronts. The decline development requires increased levels of waste development throughout the year. The split of stoping to development tonnes is expected to be 75:25.

Processing

The Sukari plant processed a record 12.6Mt of ore in 2018, a 4% increase on the prior year (2017: 12.0Mt). Processing performance improved over the course of the year, reaching a record 3.2Mt processed in the fourth quarter. Plant utilisation of total time averaged 95% in 2018.

Metallurgical recovery averaged 88.7%, a 1% increase on the prior year (2017: 88.1%). Visiofroth cameras were successfully installed on the flotation circuit in plant 2 and will be installed in plant 1 in 2019.

In 2019, plant throughput is expected to be in excess of 13Mt pa. Improved feed grade delivered to the mill with further work to improve operational controls and process stability to ensure recoveries reach target rate of 89%.

Capital expenditure

In 2018, Sukari sustaining capital expenditure was US$89.2 million with key investment attributed to underground exploration and development, scheduled fleet rebuild programme and additional crushing capacity.

Investment in technology, people and training are additional critical areas the Company continues to invest in as a way of driving improved operational performance. During 2018, we invested time and capital in technological upgrades, security and implementation of new software and systems. For example, we began the staged implementation of Deswik, a software solution which engineers a live, dynamic, centralised mine plan.

Succession planning and recruitment has been an ongoing key initiative through 2018 and will continue into 2019. A number of talented, experienced individuals have been recruited to assume key positions at Sukari, including, but not limited to:

- General Manager
- Operations Director
- Open Pit Geology Superintendent
- Processing Manager
- Supply Chain Manager
- Technical Services Manager
- Underground Manager

Total capital expenditure for Sukari in 2019 is expected to be US$120 million, including regional seismic exploration programme, underground exploration and development, solar feasibility study completion, underground backfill plant, North tailings storage facility engineer studies, ongoing fleet rebuild programme.

In 2019, there is a strong managerial and operational focus on improving identification and response times to deviations from the mine plan, as a means to mitigating the potential impact on performance. Technological investment in, for example, Mill Ear to listen and record activity within the mills increasing response time and reducing potential mill liner damage, thereby increasing productivity; Upgrades to the Scada System for real time reporting and operating controls; Slope monitoring to optimise the pit wall slope angles and monitor material movement, creating a safer work environment, are but a few upgrades scheduled for implementation.

	units	**Year ended 31 Dec 2018**	Q4 2018	Q3 2018	Q2 2018	Q1 2018	**Year ended 31 Dec 2017**	Q4 2017
Open pit mining								
Total material mined	kt	**77,877**	21,075	19,891	18,415	18,496	**70,870**	17,647
Ore mined	kt	**23,131**	4,990	6,562	5,532	6,047	**16,090**	5,726
Ore grade mined	g/t Au	**0.60**	0.75	0.64	0.51	0.50	**0.66**	0.62
Ore grade milled	g/t Au	**0.76**	0.92	0.83	0.59	0.69	**0.89**	0.92
Strip ratio	waste/ore	**2.37**	3.22	2.03	2.33	2.06	**3.40**	2.08
Underground mining - Amun/Ptah								
Ore mined stoping	kt	**739**	199	199	180	160	**684**	168
Ore mined development	kt	**504**	115	128	109	152	**461**	130
Ore grade mined	g/t Au	**5.69**	6.21	5.18	4.62	6.69	**8.28**	8.8
Processing								
Ore processed	kt	**12,568**	3,198	3,129	3,172	3,068	**12,032**	3,072
Head grade	g/t Au	**1.26**	1.45	1.29	0.99	1.31	**1.57**	1.70
Gold recovery	%	**88.7**	89.1	88.7	87.3	89.6	**88.1**	88.5
Gold produced - dump leach	oz	**12,522**	3,445	3,894	3,028	2,155	**8,597**	3,119
Total gold production[(1)]	oz	**472,418**	137,600	117,720	92,803	124,296	**544,658**	154,298

Total gold sold	oz	**484,322**	148,851	106,798	97,628	131,045	**539,726**	153,490
Cash cost of production(2,3)	US$'000	**289,394**	82,579	70,874	64,630	71,312	**301,706**	69,965
Unit Cash cost of production(2,3)	US$/oz	**624**	609	619	714	581	**554**	453
AISC(3)	US$'000	**420,116**	118,911	92,056	102,211	106,939	**426,466**	114,247
Unit AISC(3)	US$/oz	**884**	809	889	1,073	825	**790**	744
Average realised sales price	US$/oz	**1,267**	1,235	1,206	1,298	1,328	**1,261**	1,278

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

(2) 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 2.7 of the financial information for further details).

(3) 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 REVIEW

EXPLORATION REVIEW

Exploration is at the heart of everything we do; the foundation we are built upon and will remain our competitive advantage for creating future value.

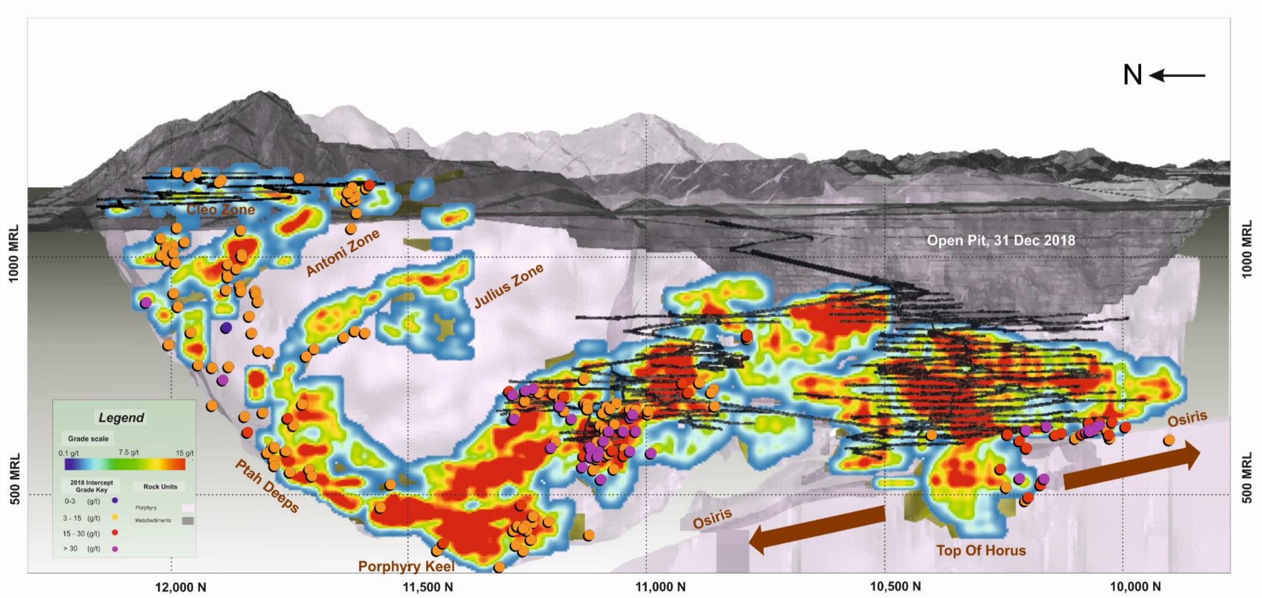
EGYPT
Centamin has a 160km^2 Concession Agreement in Southern Egypt, in the Eastern Desert. Here the Sukari Gold Mine has been explored and developed into a world class mine. Operating in its 9th year of commercial production, there is 11Moz of mineral resources. Including 7.25Moz of reserves and significant reserve and resource upside across the tenement area.

SUKARI GOLD MINE

In 2018, the Group carried out intensive exploration programmes across the portfolio of assets. Near mine exploration at Sukari, successfully replaced underground reserves in excess of mining depletion and thereby sustaining the rolling life of mine, in addition to generating highly prospective target extensions to the existing underground and delineating previously underexplored structures within the Cleopatra zone.

Exploration drill campaign remained focused within the mine site aiming to continue to unlock the underground resource potential at Amun, Ptah and Cleopatra. The Sukari porphyry remains open at depth and along strike and the high-grade structures within the porphyry are not fully defined.

A 40,511 metres diamond drilling programme was completed at an average cost of US$168 per metre.



<u>Amun / Ptah Production Decline</u>
Within the existing underground operations, systematic exploration, included routine infill drilling, resource extension drilling, and drilling ahead of the current underground development designs.

Exploration within the Amun zone was focussed on resource extension along the southern strike of the mine. A total of 5,535 metres were drilled from the 650 and 665 level, targeting reserve and resource extensions within the Osiris flat structure and resource extensions to the south of the Top of Horus zone. Results confirmed the high-grade consistency along the southern and western extension of the Osiris zone. This is proximal to the current decline development drives and outside the existing reserve and resource. Top of Horus zone is still open to the south with higher grade located at the brecciated contact. This is an area of significant potential for high-grade reserve and resource growth, with further drilling scheduled in 2019.

The Osiris zone is characterised by a major, low-angle thrust rotating the major W-WNW gently dipping porphyry block. The main high-grade veins occur on the upper and lower contacts of the porphyry with high-angle steeper dipping secondary veins ramping up, linking through to the western porphyry contact. The Top of Horus, forms on the contacts and develops within the steeply dipping Horus porphyry. The Top of Horus high grade veins are typically high-angle dipping towards the Northwest. This structural setting, where the low-angle Osiris thrust caps and possibly shifts laterally the top of the sub-vertical Horus porphyry, is open up and down plunge along strike.

2018 Significant Amun Drill Intercepts <u>(0.4g/t cut-off)</u>

TENEMENT ID	PROSPECT ID	HOLE ID	LEVEL (mRL)	INTERVAL (m)	GRADE (Au g/t)
SUKARI GOLD MINE	AMUN	UGRSD0844	646.0	8.0	180.1

SUKARI GOLD MINE	AMUN	UGRSD0850	636.7	1.2	563.0
SUKARI GOLD MINE	AMUN	UGD4136	647.6	2.0	239.8
SUKARI GOLD MINE	AMUN	UGRSD0845	637.4	9.0	51.9
SUKARI GOLD MINE	AMUN	UGRSD0848	654.9	15.2	18.5
SUKARI GOLD MINE	AMUN	UGRSD0844	640.1	1.0	259.0
SUKARI GOLD MINE	AMUN	UGRSD0843	635.7	0.9	287.2
SUKARI GOLD MINE	AMUN	UGRSD0849	632.6	9.2	25.8
SUKARI GOLD MINE	AMUN	UGRSD0845	538.5	4.0	39.2
SUKARI GOLD MINE	AMUN	UGRSD0844	498.5	6.0	26.0
SUKARI GOLD MINE	AMUN	UGRSD0843	539.1	0.7	213.2
SUKARI GOLD MINE	AMUN	UGRSD0846	650.0	2.5	40.3
SUKARI GOLD MINE	AMUN	UGD4139	639.6	2.0	47.2
SUKARI GOLD MINE	AMUN	UGRSD0864	631.3	3.0	29.4
SUKARI GOLD MINE	AMUN	UGRSD0843	640.6	4.0	18.9
SUKARI GOLD MINE	AMUN	UGRSD0857	630.5	2.7	22.8
SUKARI GOLD MINE	AMUN	UGRSD0857	623.5	4.0	13.6
SUKARI GOLD MINE	AMUN	UGRSD0849	628.7	2.7	20.0

During the year, greater than 14,500m were drilled within Ptah, a key growth driver for the underground mine. Drilling from the 660 and 735 levels, tested along the ore strike length, exploring short-term underground development design, and infill drilling, driving resource reserve potential for future mine life.

Results confirmed grade continuity with high-grades concentrated along strike, on both the Eastern and Western contacts of the porphyry, where breccia and/or stockwork zones form internally within the porphyry. The quartz lodes on the Western contact remain a priority high-grade target (high-grade intercepts returned along the mineralized structure south of Ptah going to the north) where the interaction between the Hapi structure and the Western contact shear results in dilation and gold enrichment. The Porphyry Keel drill results confirm resource potential extension at depth plunging towards the north.

2018 Significant Ptah Drill Intercepts (0.4g/t cut-off)

TENEMENT ID	PROSPECT ID	HOLE ID	LEVEL (mRL)	INTERVAL (m)	GRADE (Au g/t)
SUKARI GOLD MINE	PTAH	UGRSD0956	599.4	3.0	428.0
SUKARI GOLD MINE	PTAH	PUD7632	638.1	2.1	308.4
SUKARI GOLD MINE	PTAH	UGRSD0968	595.9	3.6	176.0
SUKARI GOLD MINE	PTAH	PUD7695	605.2	1.7	354.8
SUKARI GOLD MINE	PTAH	UGRSD0963	585.0	1.6	374.0
SUKARI GOLD MINE	PTAH	PUD7613	663.6	11.4	40.0
SUKARI GOLD MINE	PTAH	UGRSD0960	586.6	1.7	258.1
SUKARI GOLD MINE	PTAH	UGRSD0928	429.0	57.0	6.8
SUKARI GOLD MINE	PTAH	PUD7605	641.1	9.0	40.1
SUKARI GOLD MINE	PTAH	UGRSD0929	399.4	43.0	8.2
SUKARI GOLD MINE	PTAH	UGRSD0996	537.3	2.3	129.6
SUKARI GOLD MINE	PTAH	PUD7859	713.7	5.0	40.6
SUKARI GOLD MINE	PTAH	UGRSD0960	584.0	0.7	208.0
SUKARI GOLD MINE	PTAH	UGRSD0982	603.7	4.6	31.4
SUKARI GOLD MINE	PTAH	UGRSD0915	637.7	2.2	58.1
SUKARI GOLD MINE	PTAH	UGRSD0990	663.7	3.4	30.5
SUKARI GOLD MINE	PTAH	PUD7859	721.7	4.0	25.3
SUKARI GOLD MINE	PTAH	UGRSD0926	563.0	1.0	97.2
SUKARI GOLD MINE	PTAH	PUD7830	699.8	6.4	14.9
SUKARI GOLD MINE	PTAH	UGRSD0914	690.4	0.4	270.0
SUKARI GOLD MINE	PTAH	PUD7630	672.1	2.6	35.3
SUKARI GOLD MINE	PTAH	UGRSD0906	403.6	4.0	22.7
SUKARI GOLD MINE	PTAH	UGRSD0923	727.0	1.7	50.2
SUKARI GOLD MINE	PTAH	UGRSD0955	592.2	0.8	106.0
SUKARI GOLD MINE	PTAH	PUD7630	655.8	2.1	36.0
SUKARI GOLD MINE	PTAH	UGRSD0911	595.7	1.2	56.1
SUKARI GOLD MINE	PTAH	UGRSD0905	483.6	3.0	20.4
SUKARI GOLD MINE	PTAH	UGRSD0926	589.6	2.0	26.1
SUKARI GOLD MINE	PTAH	UGRSD0914	723.1	0.3	172.0

EXPLORATION REVIEW

Cleopatra Exploration and Development Decline

The Cleopatra zone consists of a set of three stacked WNW dipping mineralised zones, located at the north of the Sukari porphyry, named from surface as Cleopatra, Antoni and Julius. Exploration and development is systematically to focussed on the Upper Cleopatra zone collating increasing detailed geological information, progressing decline development and establishing drill platforms.

Cleopatra exploration completed 2,260m of decline development extracting 185,333 tonnes of mineralised development ore at an average grade of 1.74 g/t. A total of 20,392m were drilled from two drill sites in Upper Cleopatra, 1120mRL and 1150mRL levels, targeting the northern extension of the Porphyry-Keel/Ptah Deeps.

2018 Significant Cleopatra Drill Intercepts (0.3g/t cut-off)

TENEMENT ID	PROSPECT ID	HOLE ID	LEVEL (mRL)	INTERVAL (m)	GRADE (Au g/t)
SUKARI GOLD MINE	**CLEO**	CRSD112	908	1	110.9
SUKARI GOLD MINE	**CLEO**	CRSD085	745	1	30.0
SUKARI GOLD MINE	**CLEO**	CRSD125_W1	665	1	27.4
SUKARI GOLD MINE	**CLEO**	CUD099	1154	4	18.3
SUKARI GOLD MINE	**CLEO**	CRSD079	636	1	15.9
SUKARI GOLD MINE	**CLEO**	CRSD115	597	1	12.8
SUKARI GOLD MINE	**CLEO**	CUD100	1149	3	12.3
SUKARI GOLD MINE	**CLEO**	CRSD114	650	1	11.5
SUKARI GOLD MINE	**CLEO**	CRSD114	1059	1	9.5
SUKARI GOLD MINE	**CLEO**	CRSD102	1034	1	9.3
SUKARI GOLD MINE	**CLEO**	CRSD125	1127	1	9.3
SUKARI GOLD MINE	**CLEO**	CRSD125	694	2	7.9
SUKARI GOLD MINE	**CLEO**	CRSD121	527	1	7.5
SUKARI GOLD MINE	**CLEO**	CRSD125_W1	795	1	7.5
SUKARI GOLD MINE	**CLEO**	CRSD122	1132	1	6.8
SUKARI GOLD MINE	**CLEO**	CRSD082	692	1	6.7
SUKARI GOLD MINE	**CLEO**	CRSD102	1064	2	6.3
SUKARI GOLD MINE	**CLEO**	CUD104	668	3	6.2
SUKARI GOLD MINE	**CLEO**	CRSD092	844	1	6.2
SUKARI GOLD MINE	**CLEO**	CUD096	1164	3	5.9
SUKARI GOLD MINE	**CLEO**	CRSD116	1120	5	4.4
SUKARI GOLD MINE	**CLEO**	CUD129	1172	4	5.7
SUKARI GOLD MINE	**CLEO**	CRSD108	943	3	5.5
SUKARI GOLD MINE	**CLEO**	CRSD107	961	2	5.5
SUKARI GOLD MINE	**CLEO**	CRSD124	1004	4	5.4
SUKARI GOLD MINE	**CLEO**	CUD101	1145	7	4.7
SUKARI GOLD MINE	**CLEO**	CRSD098A	934	8	4.2
SUKARI GOLD MINE	**CLEO**	CRSD124	1009	10	3.9
SUKARI GOLD MINE	**CLEO**	CRSD084	1042	10	3.8
SUKARI GOLD MINE	**CLEO**	CRSD096	845	8	3.4
SUKARI GOLD MINE	**CLEO**	CRSD096	991	9	3.1
SUKARI GOLD MINE	**CLEO**	CRSD108	978	15	3.0
SUKARI GOLD MINE	**CLEO**	CRSD097A	856	20	2.7

In 2019, exploration is focused on infill drill of the Antoni and Julius zones to provide resource information for both underground and open pit potential, and resource definition drilling at depth within the Ptah Deeps. A grade control programme is underway to fully define potential

EXPLORATION REVIEW

for future small-scale stoping blocks. Exploration development has been scheduled to continue at current mining rates, exceeding 2000m in decline development in porphyry.

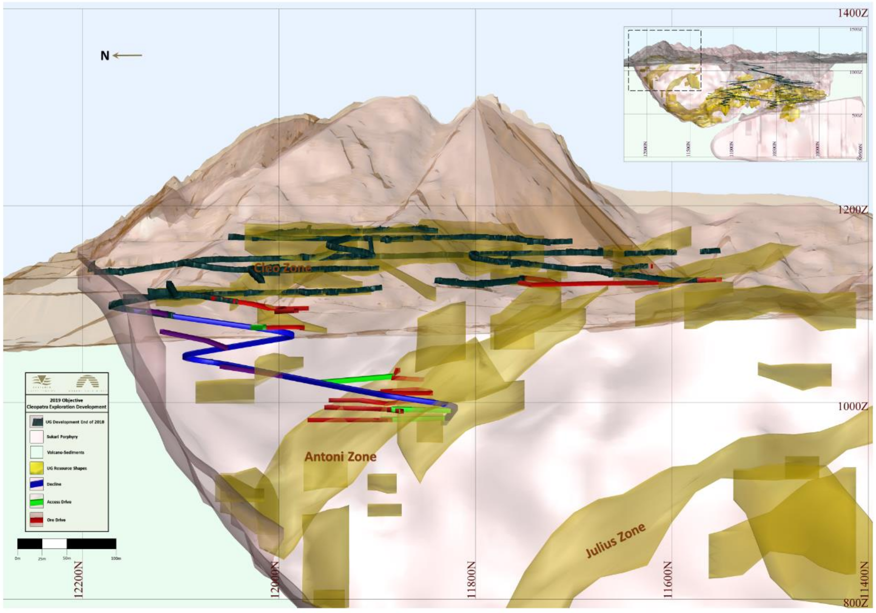


Figure. 2019 Cleopatra Development Plan

SUKARI REGIONAL EXPLORATION

Sukari is a world-class gold district (+15Moz) hosted on a major ANS terrane boundary, a NW verging, abducted, ophiolite thrust belt. Sukari Resources are currently drill defined around the 2.7km long by 0.6km deep Sukari porphyry that sits axially within a much wider 17km long by 3.7km ophiolite shear zone. There are 7 main surface prospects hosted along 5 primary domain gold trends, within the license. All surface prospects are within trucking distance to the existing processing plant and infrastructure.

Initial exploration work commenced to construct a robust district 3D geo-seismic architecture of the license area to depths >1.5km, targeting potential new Sukari-style porphyries. The first stage of Petrophysics were completed for the application of 3D seismic across the license area.

By Q3, Rock property measurements were conducted where P-wave velocity (Vp) and Density (SG) were measured on Sukari core samples. Vp and SG were logged across three holes that intersect significant mineralization, geology and structures at Sukari. HiSeis personnel in consultation with staff at Sukari have chosen the holes where the Acoustic Impedance (AI) obtained from these measurements was used to assess which interfaces will act as reflectors and identify the controls on these relationships. The acquired values were then applied to a schematic geological cross-section, which was then used in numerical simulations to create a forward seismic model.

The surface exploration is focused on creating a detailed geological map of the entire tenement highlighting areas of enhanced fluid flow, or anomalism, which are prospective for gold fluid movement and deposition.

In 2019, the plan is to complete the 3D seismics across the concession and construct a detailed geological map highlighting areas for future exploration.

COTE D'IVOIRE

(The below announced as part of a Company regulatory news release on material progress on Cote d'Ivoire exploration projects on the 15 February 2019. It is included here for completeness in review of 2018.)

Centamin has 11 permits covering circa 3,472 km^2 and a further ten permits covering 3,413 km^2 under application. The key achievements were the Doropo Project resource growth, progress on the PEA development studies and the ABC Project Kona South maiden resource release.

Mineral Resources

The mineral resource data presented in the tables, comprise a summary extract of the of the Doropo and ABC mineral resource report, using drill assay results received up to and including 10 December 2018. For comparative purposes, data for 2017 has been included for Doropo. In the instance of ABC, this is a maiden mineral resource and therefore no previous data has been provided for comparative purposes. Numbers have been rounded and therefore they may be small differences in the totals.

EXPLORATION REVIEW

	Category	2018 Tonnage (Mt)	2018 Grade (g/t)	2018 Gold Content (Moz)	2017 Tonnage (Mt)	2017 Grade (g/t)	2017 Gold Content (Moz)
Doropo Project	*Measured*	-	-	-	-	-	-
(0.5g/t cut-off)	*Indicated*	**50**	**1.31**	**2.13**	32.6	1.3	1.35
	M+I	**50**	**1.31**	**2.13**	32.6	1.3	1.35
	Inferred	**19**	**1.3**	**0.8**	24.8	1.2	0.90
ABC Prospect	*Measured*	-	-	-			
(0.5g/t cut-off)	*Indicated*	**20**	**1.03**	**0.65**			
	M+I	**20**	**1.03**	**0.65**			
	Inferred	**16**	**0.9**	**0.5**			

DOROPO PROJECT

The Doropo Project, located in the northeast Cote d'Ivoire, is wholly owned by the Company, consisting of nine permits, over a 2,721km^2 highly prospective landholding that lies between the Boromo-Batie and the Hounde-Tehini greenstones belts.

The Company began extensive exploration at Doropo in late 2014, leading to maiden resource declared in 2017. The Company's experienced exploration team have achieved year-on-year resource growth. The team applies a systematic approach to prioritise resource-focussed target generation and ranking to fast-track the most prospective target.

Geology

The Doropo landholding lies entirely within the granitic domain, bounded on the eastern side by the Boromo-Batie greenstones belt, in Burkina Faso, and on the western side by the Tehini-Hounde greenstones belt.

At the project scale, the geology consists of a granite-gneiss terrain, the granite being mostly of coarse granodioritic composition, bound by major bimodal greenstone belts, which express progressive assimilation and strain gradients at the margins, evidenced by the presence of pyroxenites and amphibolites in the volcanic suites and migmatites in the granitoids (mostly on the western side).

Gold mineralisation occurs late in the regionally-extensive, reactivating compressional shear networks, framed by intense silica-sericite-carbonate alteration haloes. The main structural hosts are cross-cutting quartz veins with diffuse overprinting with fine to medium grained pyrite sulphide selvages. Gold grade correlates with the thickness of the pyrite and high grades are coextensive with native gold within the structural laminations and contacts of the quartz veining. The veins range up to several metres. Late regional, post-gold, doleritic dykes intrude along a number of the gold-bearing shear structures.

Exploration

In 2018, nearly 100,000 metres were drilled across Doropo. Over 56,000 metres of RC drilling focusing on mineral resource definition and exploration targeting; 36,000 metres of aircore and auger drilling defining new strong surface anomalies and follow up targets; and approx. 2,800 metres of diamond drilling for metallurgical test work samples as part of the PEA study.

Assay results received in 2018 significantly extended Chegue Main, Chegue South and Enioda deposits, defined new high-grade shoots at Souwa, Han and Nokpa and discovered the new Tchouahinin resource. The Doropo mineral resource grew to 2.13Moz at 1.31g/t in the Indicated category, and 760koz at 1.3g/t in the Inferred category, using a 0.5g/t cut-off grade.

The currently defined mineral resource deposits lie within a 6km radius. Souwa, Nokpa, Chegue Main and Chegue South, which hosts 75% of the total mineral resource, are clustered within 3km radius of a proposed plant location. Han, Kekeda Tchouahinin are satellite deposits located 4 to 6km to the southeast and Enioda sits 12km to the east.

The Souwa deposit currently hosts the largest resource and remains structurally open in all directions. Mineralisation extends over a 2.6km strike and dips 25^o west to greater than 250m vertical depth. Drilling in 2019 will target the down-plunge extensions of the composite high-grade shoots and the northern strike extension of the resource to where it intersects the Nokpa-Chegue structure.

The Nokpa deposit returned some excellent intercepts, including: 37m at 6.4g/t, 9m at 14.0g/t, 2m at 19g/t. Nokpa is centred on a high-grade WNW moderately plunging shoot. The high-grade core sits in a 200m long dilational jog created at the intersection of 3 major structures; the major Nokpa-Chegue Main shear, the Souwa shear and a third major fault infilled by late dykes. Mineralisation extends to 300m vertical depth and remains open. 2019 drilling will follow the high-grade plunge of the core Nokpa lode and similar structural analogs within the proximal district.

EXPLORATION REVIEW

Drilling has successfully connected both Chegue Main and Nokpa, along a 2.4km strike mineralised structure. Drilling started and will be ongoing in 2019.

Similar in origin to Nokpa, Chegue South hosts a significant resource immediately south of the Nokpa-Chegue Main shear zone. Drilling and exploration in 2018 drilling solidified the high-grade shoots within the resource and extended on plunge and towards the south.

Infill drilling at Kekeda and Han satellite deposits will continue into 2019 with the objective of improving the resource confidence classification. Tchouahinin, located centrally within the resource area, 3km between Souwa and Kekeda, is a new satellite deposit. The mineralisation is currently defined along 700m strike and open in all directions. 2019 drilling will continue to develop the new Tchouahinin structural setting.

At Enioda deposit, drilling successfully bridged two smaller shoots into a coherent 2.2km long surface deposit which strikes north to south and dips 40° west. Enioda forms the southernmost section of a continuous 7km regional mineralised shear. Drilling in 2019 will continue to develop the Enioda resource on strike and down dip.

Mineral Resources, by deposit
(0.5g/t gold cut-off)

	as at 31 December 2018						as at 31 December 2017					
	Indicated			**Inferred**			Indicated			Inferred		
Deposits	**Tonnes (Mt)**	**Grade (g/t)**	**Gold (Moz)**	**Tonnes (Mt)**	**Grade (g/t)**	**Gold (Moz)**	Tonnes (Mt)	Grade (g/t)	Gold (Moz)	Tonnes (Mt)	Grade (g/t)	Gold (Moz
Souwa	**18.1**	**1.41**	**0.82**	**6.3**	**1.5**	**0.30**	15.4	1.4	0.65	7.2	1.3	0.29
Nokpa	**6.9**	**1.30**	**0.29**	**1.8**	**1.2**	**0.07**	5.1	1.4	0.22	4.9	1.3	0.20
Chegue Main	**5.7**	**1.05**	**0.19**	**1.4**	**0.9**	**0.04**	2.3	1.0	0.08	2.3	0.9	0.06
Chegue South	**6.8**	**1.31**	**0.29**	**3.4**	**1.2**	**0.13**	4.6	1.4	0.2	3.6	1.1	0.12
Kekeda	**4.1**	**1.17**	**0.15**	**1.2**	**1.2**	**0.05**	2.0	1.2	0.07	2.0	1.2	0.07
Han	**3.8**	**1.48**	**0.18**	**1.6**	**1.4**	**0.07**	3.2	1.3	0.13	1.5	1.2	0.06
Tchouahinin	**1.3**	**1.44**	**0.06**	**1.0**	**1.0**	**0.03**	-	-	-	-	-	-
Enioda	**3.9**	**1.20**	**0.15**	**2.2**	**1.0**	**0.07**	-	-	-	3.2	0.9	0.1
Total Doropo Mineral Resources	**50.5**	**1.31**	**2.13**	**18.99**	**1.25**	**0.76**	32.55	1.3	1.35	24.9	1.2	0.9

Outside of the 6km radius mineral resource area, regional Doropo exploration focused generative geochemical surveys on Tehini 1, 2 and 3 permits, Gogo and Bouna. The most significant discovery of 2018 was the Kilosegui anomaly, a coherent 8km long gold in soils-auger anomaly, located 35km south-west of Souwa,. Further new additional target anomalies were defined in Kalamon, Danoa and Gogo permits. First pass drilling will commence on the Kilosegui target and other prioritised new targets will be drilled throughout H1 2019.

2018 Significant Drill Intercepts (0.3g/t cut-off)

TENEMENT ID	PROSPECT ID	HOLE ID	FROM (m)	TO (m)	INTERVAL (m)	GRADE (Au g/t)
KALAMON	**Chegue**	DPRC2103	12	27	**15**	**8.4**
KALAMON	**Chegue**	DPRC2105	13	22	**9**	**9.7**
KALAMON	**Chegue**	DPRC0913	64	66	**2**	**38.3**
KALAMON	**Chegue**	DPRC2139	46	57	**11**	**5.5**
KALAMON	**Chegue**	DPRC2116	66	71	**5**	**10.7**
KALAMON	**Chegue**	DPRC2054	26	41	**15**	**3.1**
KALAMON	**Chegue**	DPRC2344	36	39	**3**	**12.2**
KALAMON	**Chegue**	DPRC2069	93	97	**4**	**6.3**
KALAMON	**Chegue**	DPRC0920	145	148	**3**	**5.3**
DANOA	**Enioda**	DPRC2026	67	75	**8**	**8.5**
DANOA	**Enioda**	DPRC2156	21	25	**4**	**16.1**
DANOA	**Enioda**	DPRC2178	104	110	**6**	**7.0**

KALAMON	**Han**	DPDD1433	95	102	**7**	**23.4**
KALAMON	**Han**	DPRC2295	89	92	**3**	**14.7**
KALAMON	**Hinda**	DPRC2213	13	23	**10**	**5.8**
KALAMON	**Kekeda**	DPDD1439	45	58	**13**	**11.2**
KALAMON	**Kekeda**	DPRC2275	107	110	**3**	**7.0**
KALAMON	**Kekeda**	DPRC0983	5	8	**3**	**6.0**
KALAMON	**Nokpa**	DPRC2265	70	107	**37**	**6.4**
KALAMON	**Nokpa**	DPRC0899	37	46	**9**	**14.0**
KALAMON	**Nokpa**	DPRC2367	70	110	**40**	**3.1**
KALAMON	**Nokpa**	DPRC2263	71	111	**40**	**2.7**
KALAMON	**Nokpa**	DPRC2368	93	132	**39**	**2.4**
KALAMON	**Nokpa**	DPRC0900	49	63	**14**	**6.4**
KALAMON	**Nokpa**	DPRC2242	69	81	**12**	**6.5**
KALAMON	**Nokpa**	DPRC2241	26	36	**10**	**6.4**
KALAMON	**Nokpa**	DPRD1411	252	273	**21**	**3.0**
KALAMON	**Nokpa**	DPRC2248	114	120	**6**	**9.4**
KALAMON	**Nokpa**	DPRC2365	73	78	**5**	**10.4**
KALAMON	**Nokpa**	DPRD1409	298	313	**15**	**3.2**
KALAMON	**Nokpa**	DPRC2243	9	16	**7**	**6.7**
KALAMON	**Nokpa**	DPRC2266	114	120	**6**	**7.4**
KALAMON	**Nokpa**	DPRC2258	104	106	**2**	**19.0**
KALAMON	**Nokpa**	DPRC2365	18	21	**3**	**12.1**
KALAMON	**Nokpa**	DPRC2254	110	114	**4**	**8.8**
KALAMON	**Nokpa**	DPRC0901	47	50	**3**	**11.2**
KALAMON	**Nokpa**	DPDD1427	187	191	**4**	**6.2**
KALAMON	**Nokpa**	DPRC2242	24	26	**2**	**11.4**
KALAMON	**Souwa**	DPRC2413	9	27	**18**	**10.4**
KALAMON	**Souwa**	DPRC0891	36	61	**25**	**3.7**
KALAMON	**Souwa**	DPRC2089	8	11	**3**	**30.5**
KALAMON	**Souwa**	DPRC0893	67	84	**17**	**3.4**
KALAMON	**Souwa**	DPRC2426	30	34	**4**	**8.3**
KALAMON	**Souwa**	DPRC2424	19	22	**3**	**8.0**
KALAMON	**Tchouahinin**	DPRC2337	76	80	**4**	**39.7**
KALAMON	**Tchouahinin**	DPRC2216	41	48	**7**	**8.1**

ABC PROJECT

The ABC Project, located in northwest Côte d'Ivoire, approximately 600km west of Doropo, the Company's advanced exploration project. ABC is a greenfield exploration project, consisting of two permits, Kona and FarakoNafana, covering a 750km^2 highly prospective landholding along the underexplored contact zone between the Archean and Birimian cratons. The Company has an additional four permits under application.

Geology

The LGC is characteristically 300m to 800m wide, hosting a greenschist to low amphibolite grade, Birimian volcano-sedimentary greenstone package thrusted between an earlier granitoid of Archaean age inferred from structural position to the west and a paragneiss on the east. The eastern footwall contact is a major structural and metamorphic feature and it controls the regional setting of the gold mineralisation along the corridor. The paragneiss is interpreted to be the stratigraphic continuity of the detrital sediments but at higher granulite facies.

EXPLORATION REVIEW

Surface geochemistry clearly maps the core of the LGC along a 23km strike which runs axially through the Kona permit. The two main prospects, identified by the initial mapping and rock chip sampling, were subdued silicified ledges in the topography. These anomalous ridges developed into the Kona South and Kona Central Prospects. On a regional scale, mapping and remote sensing of the LGC defined a 60km structural feature.

Exploration

After the permits were granted, greenfield exploration began in early 2017 with reconnaissance mapping and initial rock chip sampling of the Kona permit area.

Geochemical sampling identified the LGC, at the time as an outcropping 12km gold mineralised structure. Further detailed fieldwork, including GAIP survey and c.5,900 metre RC drill programme was carried out in 2017, returning the first significant mineralised intercepts on some wide spaced and shallow drill sections.

In 2018, exploration activities successfully focussed on developing the Kona South prospect by RC and Diamond drilling, while extending the understanding of surface geochemistry through a c.20,000 metre auger drilling programme to cover the whole of the LGC length in the Kona permit. The auger results have highlighted the strike continuity in mineralisation, plus multiple sub parallel zones along the +23km strike of the LGC. Surface geochemistry sampling also began on the FarakoNafana permit that overlays the northern extend of the Lolosso structure.

In 2018, an 18,500 metre drill programme was completed (including c. 13,400 RC metres and 5,100 diamond drill metres). Significant drill intercepts are reported quarterly as part of our detailed Quarterly Results, which can be found on the Company's website. The table at the end of this announcement shows 2018 highlight drill intercepts, including new intercepts published for Q4, clearly annotated. The primary objective of 2018 was the delivery of a maiden resource estimate for Kona South. The Kona South maiden resource stands at 650koz at 1.03 g/t Indicated category and 450koz at 0.87g/t Inferred category, at a 0.5 g/t cut off. The table below shows how the resource behaves at higher cut-offs.

	as at 10 December 2018					
	Indicated			Inferred		
Cut-off (g/t)	**Tonnage (Mt)**	**Grade (g/t)**	**Gold content (Moz)**	**Tonnage (Mt)**	**Grade (g/t)**	**Gold content (Moz)**
0.5	**19.6**	**1.03**	**0.65**	**16**	**0.9**	**0.45**
0.6	16.4	1.13	0.59	12	1.0	0.37
0.7	13.6	1.23	0.54	9	1.1	0.31
0.8	11.3	1.32	0.48	6	1.3	0.26
0.9	9.4	1.42	0.43	5	1.4	0.21
1.0	7.7	1.52	0.38	4	1.5	0.18

Beyond the Kona South and Central ridges that have been tested by some drilling, the LGC is totally virgin from any other exploration work other than the surface work (mapping, geochemistry, geophysics). Geochemistry results (auger) successfully delineated the anomalous contacts and internal plumbing of the LGC, highlighting several new resource potential targets along it.

Modelling

To support the rapidly growing resource, a detailed 4D geological modelling exercise was conducted reviewing the core logging and the regional context of the macro-structure hosting the deposits. Detailed geological interpretations were compiled from prospect mapping, satellite imagery and geophysical imagery. These district geological models were integrated with the evolving drill database to produce sophisticated resource models, based on detailed structural modelling and direct deeper plunge drill targeting.

The Kona South resource remains open in all directions and detailed 3D grade modelling indicates there are higher-grade, plunging shoots within the broad-spaced resource drilling. Additional resource quality intercepts were identified at wide spacing in Kona Central, which require closer examination, infill drilling and 3D modelling in 2019.

2019

Building on the success of 2018, exploration continues, including a 34,000 metre drill programme focussing on resource development at Kona Central and Kona South, while testing the resource extension potential between the two prospects, drill testing high priority targets along the LGC, airborne magnetic/radiometric surveying, and geochemical sampling.

2018 Significant Drill Intercepts (0.3g/t cut-off)

EXPLORATION REVIEW

TENEMENT ID	PROSPECT ID	HOLE ID	FROM (m)	TO (m)	INTERVAL (m)	GRADE (Au g/t)
KONA	Lolosso corridor	KNDD0002	102.0	155.0	53.0	1.2
KONA	Lolosso corridor	KNDD0004	173.0	202.0	29.0	1.2
KONA	Lolosso corridor	KNDD0001	112.1	136.0	23.9	1.2
KONA	Lolosso corridor	KNDD0001	174.7	191.8	17.1	1.6
KONA	Lolosso corridor	KNDD0004	163.0	170.8	7.8	3.2
KONA	Lolosso corridor	KNRC0091	39.0	83.0	44.0	2.5
KONA	Lolosso corridor	KNRC0082	20.0	120.0	100.0	0.8
KONA	Lolosso corridor	KNRC0079	16.0	76.0	60.0	1.2
KONA	Lolosso corridor	KNRC0081	5.0	88.0	83.0	0.8
KONA	Lolosso corridor	KNDD0007	30.0	66.0	36.0	1.4
KONA	Lolosso corridor	KNRC0074	1.0	30.0	29.0	1.5
KONA	Lolosso corridor	KNRC0077	122.0	153.0	31.0	1.4
KONA	Lolosso corridor	KNRC0078	128.0	158.0	30.0	1.5
KONA	Lolosso corridor	KNDD0013	182.8	209.0	26.3	1.5
KONA	Lolosso corridor	KNRC0073	1.0	26.0	25.0	1.5
KONA	Lolosso corridor	KNRC0083	14.0	38.0	24.0	1.2
KONA	Lolosso corridor	KNRC0093	103.0	127.0	24.0	1.2
KONA	Lolosso corridor	KNRC0084	69.0	90.0	21.0	1.2
KONA	Lolosso corridor	KNDD0013	172.0	180.5	9.0	2.7
KONA	Lolosso corridor	KNRC0136	185.0	244.0	59.0	1.7
KONA	Lolosso corridor	KNRC0131	192.0	237.0	45.0	1.7
KONA	Lolosso corridor	KNDD0017	206.5	243.0	36.5	1.9
KONA	Lolosso corridor	KNDD0014	78.0	131.3	53.3	1.3
KONA	Lolosso corridor	KNRC0114	29.0	59.0	30.0	2.2
KONA	Lolosso corridor	KNRC0112	107.0	149.0	42.0	1.5
KONA	Lolosso corridor	KNDD0019	107.2	160.1	52.9	1.2
KONA	Lolosso corridor	KNRC0138	184.0	244.0	60.0	1.0
KONA	Lolosso corridor	KNRC0117	6.0	56.0	50.0	1.1
KONA	Lolosso corridor	KNRC0130	45.0	93.0	48.0	1.1
KONA	Lolosso corridor	KNDD0020	105.0	154.0	49.0	1.1
KONA	Lolosso corridor	KNRC0111	112.0	144.0	32.0	1.5
KONA	Lolosso corridor	KNRC0132	184.0	201.0	17.0	2.6
KONA	Lolosso corridor	KNRC0126	70.0	96.0	26.0	1.7
KONA	Lolosso corridor	KNRC0122	122.0	150.0	28.0	1.5
KONA	Lolosso corridor	KNRC0116	1.0	37.0	36.0	1.2
KONA	Lolosso corridor	KNRC0127	0.0	33.0	33.0	1.2
KONA	Lolosso corridor	KNRC0134	12.0	34.0	22.0	1.7
KONA	Lolosso corridor	KNRC0118	86.0	110.0	24.0	1.2
KONA	Lolosso corridor	KNRC0123	71.0	85.0	14.0	1.8

BURKINA FASO

Batie West Project

The Batie West project, located in southwest Burkina Faso, is wholly owned by Centamin. The 1,100km^2 landholding, includes one exploitation (mining) licence and nine exploration permits. The 64km^2 Konkera exploitation license holds a NI 43-101 compliant 1.9Moz Indicated resource, at a grade of 1.7g/t and a 1.3Moz Inferred resources, at a grade of 1.7g/t.

Beyond Konkera, the Group's drill programmes have identified significant additional potential resources across the exploration areas, most notably at Napelapera (c.10km south of Konkera), and Wadarado (c. 35km north of Konkera).

Detailed desktop scoping work is underway to assess and prioritise the value opportunity of the project against the Company's internal operational and cost objectives.

There were zero lost-time injuries across all project areas in Burkina Faso during 2018. The Group undergoes regular routine training and a focus on leading indicators to maintain the highest standards of health and safety.

MINERAL RESOURCE AND RESERVE STATEMENTS

MINERAL RESOURCE AND RESERVE STATEMENTS

Group Mineral Resource and Mineral Reserve Update

Group mineral resources, including mineral reserves, increased by 5% to 15.7Moz, driven by a 44% increase in mineral resource ounces from our West African land package and reserve replacement from the Sukari underground:

- 11.0Moz Sukari mineral resource, a 6% decrease YoY, including 1.1Moz underground resources, excluding mineral resources that constitute the underground mineral reserves;
- 2.1Moz Doropo mineral resource, a 58% increase YoY, reflecting the maiden resources declared at Tchouahinin and Enioda deposits, and greater than doubling the resources at Chegue Main and Kekeda; and
- 650koz maiden ABC mineral resource estimate.

- Sukari mineral reserves have decreased 9% YoY to 7.25Moz, driven by mine depletion and adjusting for higher input costs, in particular rising fuel costs:
  - 0.8Moz of underground reserves, successfully replacing reserves in excess of mining depletion;
  - 4.4Mt of underground reserve tonnes, at a 5.6g/t, an 11% increase in grade YoY; and
  - 6.2Moz open pit reserves underpinning greater than 15 years of sustainable production at current mining rates.

Consolidated Group Mineral Resource

The mineral resource data presented in the tables included in this document, comprise a summary extract for the mineral resource reports for all the Group's properties. For comparative purposes, data for 2017 has been included where possible. Numbers have been rounded and therefore there may be small differences in the totals. Varying cut-off grades have been clearly stated.

		2018			2017		
	Category	**Tonnage (Mt)**	**Grade (g/t)**	**Gold Content (Moz)**	Tonnage (Mt)	Grade (g/t)	Gold Content (Moz)
Sukari Gold Mine	*Measured*	**254.0**	**0.99**		240	1.02	7.90
(0.3g/t cut-off)	*Indicated*	**104.0**	**0.89**		145	0.84	3.90
	M+I	**358.0**	**0.96**	**11.00**	385	0.95	11.75
	Inferred	**34**	**0.80**	**0.88**	25	0.80	0.64
Doropo Project	*Measured*	-	**-**	**-**	**-**	**-**	**-**
(0.5g/t cut-off)	*Indicated*	**50**	**1.31**	**2.13**	32.6	1.3	1.35
	M+I	**50**	**1.31**	**2.13**	32.6	1.3	1.35
	Inferred	**19**	**1.3**	**0.8**	24.9	1.2	0.90
ABC Prospect	*Measured*	-	**-**	**-**			
(0.5g/t cut-off)	*Indicated*	**20**	**1.03**	**0.65**			
	M+I	**20**	**1.03**	**0.65**			
	Inferred	**16**	**0.87**	**0.45**			
Batie West Project	*Measured*	-	**-**	**-**	**-**	**-**	**-**
(0.5g/t cut-off)	*Indicated*	**34**	**1.70**	**1.92**	34	1.70	1.92
	M+I	**34**	**1.70**	**1.92**	34	1.70	1.92
	Inferred	**25**	**1.70**	**1.33**	25	1.70	1.33
GROUP MINERAL RESOURCES	***M+I***	**462**	**1.07**	**15.70**	452	1.03	15.02
	Inferred	**94**	**1.14**	**3.42**	75	1.23	2.87

Notes

- The open pit resources are estimates of recoverable tonnes and grades using Multiple Indicator Kriging with block support correction produced in the GS3 software.
- Sukari Gold Mine:
  - Measured open pit resources lie in areas where drilling is available at a nominal 25 x 25 metre spacing, Indicated resources occur in areas drilled at approximately 25 x 50 metre spacing and Inferred resources exist in areas of broader spaced drilling.
  - The resource estimate extends over a strike length of 2.6 kilometres and to a maximum depth of 0 m in elevation (a maximum depth of approximately 1000 metres below wadi level).

MINERAL RESOURCE AND RESERVE STATEMENTS

  - All available surface drilling and channel samples were used as at 22 August 2018, but underground production holes were excluded. The resource data set comprised 326,021 two-metre down hole composites and surface rock chip samples.
  - Mineral Resource Estimates were adjusted to the mining surface and underground mining voids as at end of June 2018, and planned underground mining voids were excised to avoid double counting of underground resources.
- Doropo and ABC Indicated resources occur in areas drilled at approximately 50 x 50 metre spacing and Inferred resources exist in areas of broader spaced drilling.
- The reported Doropo estimates are limited to blocks with a maximum depth of 250 metres below surface and within 80 metres of drill hole data.
- All available Doropo data was used as at 6 December 2018.
- The reported ABC estimates are limited to blocks with a maximum depth of 250 metres below surface and within 100 metres of drill hole data.
- All available ABC data was used as at 10 December 2018
- The Doropo and ABC resource data set includes RC and Diamond drill data and gold estimates are based on 50 g Fire Assays completed at Bureau Veritas Mineral Laboratories, Abidjan.

Group Mineral Reserves (Sukari Gold Mine only)

The mineral reserve data presented in the tables included in this announcement, comprise a summary extract for the Sukari Gold Mine mineral reserve report. Currently all the ore reserves are contained within the Sukari tenement. For comparative purposes, data for 2017 has been included. Numbers have been rounded and therefore there may be small differences in the totals.

		2018				2017		
Sukari Gold Mine	**Category**	**Tonnage (Mt)**	**Grade (g/t)**	**Gold Content (Moz)**		Tonnage (Mt)	Grade (g/t)	Gold Content (Moz)
Open pit	*Proven*	**131.1**	**1.1**	**4.7**	**Open pit**	159.0	1.0	5.2
0.4g/t cut-off	*Probable*	**43.1**	**1.0**	**1.5**	0.35g/t cut-off	70.0	0.8	1.8
	P & P	**174.2**	**1.1**	**6.2**		229.0		7.0
Underground	*Proven*	**1.3**	**6.9**	**0.3**	**Underground**	0.7	8.5	0.2
3.0g/t cut-off	*Probable*	**3.2**	**5.2**	**0.5**	3.0g/t cut-off	4.0	4.4	0.6
	P & P	**4.4**	**5.6**	**0.8**		4.7	5.1	0.8
Stockpiles	*Proven*	**16.0**	**0.5**	**0.2**	**Stockpiles**	10.0	0.5	0.2
0.4g/t cut-off	*Probable*				0.3g/t cut-off			
	P & P	**16.0**	**0.5**	**0.2**		10.0	0.5	0.2
SUKARI MINERAL RESERVE	***P & P***	194.6	1.2	7.25		244.0	1.0	8.0

Notes.

* Open pit reserve includes 5.0Mt at 0.3g/t for 46koz gold using a 0.2 g/t gold cut-off for the dump leach

** Underground cut-offs for reporting are 0.4g/t gold for development with stopes defined within a 3.0g/t gold cut-off

Sukari Gold Mine Mineral Open Pit Resource Estimates

	2018									
	Measured		**Indicated**		**Measured & Indicated**			**Inferred**		
Cut-off Grade (g/t Au)	**Tonnes (Mt)**	**Grade (g/t Au)**	**Tonnes (Mt)**	**Grade (g/t Au)**	**Tonnes (Mt)**	**Grade (g/t Au)**	**Metal (Moz Au)**	**Tonnes (Mt)**	**Grade (g/t Au)**	**Metal (Moz Au)**
0.3	254	0.99	104	0.89	**358**	**0.96**	**11.0**	34	0.8	0.88
0.4	202	1.15	80	1.06	**281**	**1.12**	**10.2**	25	1.0	0.78
0.5	164	1.31	64	1.21	**227**	**1.28**	**9.39**	19	1.1	0.69
0.6	137	1.46	52	1.36	**189**	**1.43**	**8.71**	15	1.3	0.61
0.7	116	1.61	43	1.50	**159**	**1.58**	**8.08**	12	1.4	0.55
0.8	99	1.76	37	1.64	**135**	**1.73**	**7.51**	10	1.6	0.50
0.9	85	1.91	31	1.78	**116**	**1.87**	**6.97**	8	1.8	0.45
1.0	73	2.06	27	1.92	**100**	**2.02**	**6.48**	7	1.9	0.41

MINERAL RESOURCE AND RESERVE STATEMENTS

Sukari Gold Mine Underground Resource Estimates (included within the above mineral resource estimates)

		2018			2017		
	Category	**Tonnage (Mt)**	**Grade (g/t)**	**Gold Content (Moz)**	Tonnage (Mt)	Grade (g/t)	Gold Content (Moz)
Sukari Underground	*Measured*	**2.86**	**8.3**	**0.77**	1.95	8.9	0.55
2.0g/t cut-off	*Indicated*	**5.23**	**6.4**	**1.08**	5.49	6.0	1.07
	M+I	**8.09**	**7.1**	**1.85**	7.44	6.8	1.62
	Inferred	**6.89**	**4.6**	**1.02**	6.71	4.5	0.98

Qualified Person and Quality Control

Information of a scientific or technical nature in this document, including but not limited to the mineral reserve and resource estimates, was prepared by and under the supervision of Group Qualified Person(s) and independent Qualified Person(s) as below:

Sukari Gold Mine, Egypt

- Open Pit Mineral Reserve — Quinton de Klerk of Cube Consulting Pty Ltd
- Underground Mineral Reserve — Adrian Ralph of Cube Consulting Pty Ltd
- Mineral resource (underground) — Mark Zammit of Cube Consulting Pty Ltd
- Mineral resource — Arnold van der Heydyn of H&S Consultants Pty Ltd
- Resource database and economic assumptions for open-pit resource — Norm Bailey of Centamin Plc

Doropo Project, Cote d'Ivoire — Rupert Osborn of H&S Consultants Pty Ltd

ABC Project, Cote d'Ivoire — Rupert Osborn of H&S Consultants Pty Ltd

A "Qualified Person" is as defined by the National Instrument 43-101 of the Canadian Securities Administrators.

The named Qualified Person(s) have verified the data disclosed, including sampling, analytical, and test data underlying the information or opinions contained in this announcement in accordance with standards appropriate to their qualifications. Each Qualified Person consents to the inclusion of the information in this document in the form and context in which it appears.

Investors should be aware that the figures stated are estimates and no assurances can be given that the stated quantities of metal will be produced.

Mineral resource estimates contained in this document are based on available data as at:

Sukari Gold Mine 22 August 2018
Doropo Project 10 December 2018
ABC Project 10 December 2018

Varying cut-off grades have been used, and clearly marked, for calculating the mineral resource estimates at different Group properties, depending on the stage of project, maturity and ore type.

FINANCIAL REVIEW

The consolidated financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted for use by the European Union and in accordance with the Companies (Jersey) Law 1991.

There have been two major changes to the consolidated financial information for the year ended 31 December 2018 and its comparatives:

- The change in the presentation of the EMRA profit share to Non-controlling interest ("NCI") in SGM, refer to note 1.1.1.
- The change in accounting policy regarding the treatment of costs related to Exploration and Evaluation of Mineral Resources under IFRS 6, refer to note 1.2.1.

Now in its ninth year of production, the Sukari Gold Mine remains cash generative and this is reflected in the Group's financial results for the year ended 31 December 2018:

- 2018 was an operationally challenging year for the Group and despite the challenges, costs were kept under tight control and it remained cash generative;
- free cash flow(1) of US$63 million generated in 2018 to the Company after the distribution to the NCI, down 56% on the prior year (2017: US$146 million) almost entirely due to lower production, the increase in fuel and reagent costs and the increase in the percentage share of distributions to the NCI from 1 July 2018(3) in accordance with the CA although the absolute distributions decreased on 2017;
- 2018 revenues of US$603 million were down 11% on the prior year (2017: US$676 million) with a 0.5% increase in realised gold prices offset by a decrease in gold sales;
- cash costs of production(1) increased to US$624 per ounce produced on the prior year (2017: US$554), driven predominantly by a 15% decrease in gold ounces produced (excluding Cleopatra), an increase in mined and processed tonnes and an increase in fuel and reagent costs;
- AISC(1) of US$884 per ounce sold was below our forecast, but was an increase on the prior year (2017: US$790), mainly due to a 12% decrease in gold ounces sold (excluding Cleopatra), increased production costs and higher sustaining capital costs resulting from planned fleet rebuilds;
- EBITDA(1) decreased by 17% to US$258 million, as a result of increased production and operating costs and an 11% decrease in revenues;
- profit before tax decreased by 26% to US$152.7 million, due to the factors outlined above;
- earnings per share attributable to owners of the parent of 6.50 US cents were down 22% on the prior year due to lower revenue, higher costs and the increase in distributions to the NCI from 1 July 2018 in accordance with the CA (2017: 8.38 US cents);
- operational cash flow of US$223 million was 34% lower than 2017, due to the lower gold production base with higher gold prices offset by a higher cost base; and
- the Egyptian state has benefited directly from dividends paid to the non-controlling interest in SGM of US$76 million in addition to US$18 million in royalty payments during the year ended 31 December 2018 (2017: US$112 million and US$20 million respectively).

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(1) Cash cost of production, AISC, EBITDA and cash, bullion on hand, gold sales receivables, financial assets at fair value through other comprehensive income and free cash flow are non-GAAP measures and are defined at the end of the Financial Review section.

(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 2.7 of the financial information for further details).

(3) Profit share commenced during the third quarter of 2016. The first two years was a 60:40 split of net production surplus to PGM and EMRA respectively. From 1 July 2018 this changed to a 55:45 split for the next two-year period until 30 June 2020, after which all net production surpluses will be split 50:50.

A final dividend for 2018 of 3.0 US cents per share has been proposed for approval at the AGM on 8 April 2019. Together with the interim dividend of 2.5 US cents paid during the year, this represents a paid and proposed full year dividend of 5.5 US cents per share (2017: 12.5 US cents per share). Payment of the proposed final dividend would result in a full year pay-out of approximately US$63.5 million, which is equivalent to 100% of our free cash flow for 2018, in line with the Company's policy of returning to shareholders capital not required for future investment.

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 and gold sales receivable balance during the year. Cash and cash equivalents stood at US$282.6 million as at 31 December 2018 (2017: US$359.7 million).

Revenue

Revenue from gold and silver sales has decreased by 11% to US$603.2 million (2017: US$675.5 million), with a 0.5% increase in the average realised gold price to US$1,267 per ounce (2017: US$1,261 per ounce) and a 10% decrease in gold sold to 484,322 ounces (2017: 539,726 ounces). The movement is also net of US$11.5 million of gold sold which is related to Cleopatra (exploration decline) netted against capitalised exploration costs.

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$49.5 million categorised as fuel prepayments (refer to note 2.7 to the financial information for further information) and has decreased by US$7.8 million to US$406.5 million (2017: US$414.3 million), mainly as a result of a:

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- US$20.5 million increase in total mine production costs from US$307.6 million to US$328.1 million, due to a 10% increase in mined tonnes combined with a 4% increase in processed tonnes and an increase in unit costs mainly due to increased fuel and reagent costs;
- US$5.5 million increase in depreciation and amortisation charges from US$104.3 million to US$109.7 million due to mine development within capital work in progress being capitalised to mine development properties during the year, a reclassification of brownfield exploration and evaluation expenditure to mine development properties and a change in the associated amortisation charges; and
- Offset by a US$33.8 million decrease in the movement in inventory due to the increase in mining stockpiles.

Other operating costs

Other operating costs 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 and the 3% royalty payable to the Egyptian government. Other operating costs decreased by US$9.1 million, or 25% on the prior year, to US$27.9 million, mainly as a result of a:

- US$4.9 million increase in net foreign exchange gains (-ve);
- US$2.0 million decrease in royalty paid to the government of the Arab Republic of Egypt ("ARE") in line with the decrease in gold sales revenue (-ve);
- US$1.8 million increase in corporate and other costs (+ve); and
- US$4.0 million swing in the expense related to the stock obsolescence provision (-ve).

Exploration and evaluation expenditure

Exploration and evaluation expenditure comprise expenditure incurred for exploration activities in Côte d'Ivoire and Burkina Faso. Exploration and evaluation costs increased by US$0.7 million or 4% from US$20.3 million in the year ended 31 December 2017 to US$21.0 million in the year ended 31 December 2018. These expenses are now recorded in the income statement after the change in accounting policy regarding the treatment of Greenfield exploration and evaluation costs, please refer to note 1.2.1 of the financial information.

Finance income

Finance income comprises interest income applicable on the Group's available cash and term deposit amounts. The movements in finance income are in line with the movements in the Group'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 2018 of US$152.7 million (2017: US$207.4 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. The tax charge of US$0.05 million for the year was associated with interest and rental income in Egypt. For further information, please refer to the Payments to Governments disclosure on our website.

Dividends paid to non-controlling interest in SGM

During the year ended 31 December 2018, US$76.4 million (2017: US$111.6 million) was paid as dividends to the non-controlling interest in SGM being the Egyptian Mineral Resources Authority ("EMRA").

Dividends paid to the non-controlling interest in SGM being EMRA, pursuant to the provisions of the Concession Agreement, are recognised as non-controlling interest attributable to SGM at the base of the income statement of Centamin. EMRA does not own shares in Centamin therefore Group earnings per share is calculated on the profit attributable to the owners of the parent. The profit share payments during the year will be reconciled against SGM's audited 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. SGM's June 2018 financial statements are currently being audited.

Earnings per share

Earnings per share attributable to owners of the parent of 6.50 US cents in 2018 decreased when compared with the prior year (2017: 8.38 US cents). The decrease was driven by the factors outlined above.

Other comprehensive income

Other comprehensive income movement was the result of the revaluation of financial assets at fair value through other comprehensive income.

Financial position

Centamin has a strong and flexible balance sheet with no debt and no hedging. Cash, bullion on hand and gold sales receivables at 31 December 2018 of US$322.3 million, down from US$417.9 million at 31 December 2017, following dividend payments of US$144.6 million during the year.

	Year ended	Year ended

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	Note	**31 December 2018 US$'000**	31 December 2017 US$'000
Cash and cash equivalents	2.13	**282,627**	359,680
Bullion on hand (valued at the year-end spot price)		**11,431**	27,123
Gold sales receivable	2.6	**28,234**	31,007
Financial assets at fair value through other comprehensive income	4.3	**—**	125
Cash and cash equivalents, bullion on hand, gold sales receivables and financial assets at fair value through other comprehensive income		**322,292**	417,935

The majority of funds have been invested in rolling short term interest money market deposits.

Current assets have decreased by US$89.0 million, or 17%, from US$509.3 million in 2017 to US$420.3 million, as a result of a:

- US$7.7 million decrease (-ve) in inventory driven by a US$8.3 million decrease (-ve) in collective stores inventory value to US$70.3 million (due to significant cost reduction and minimisation initiatives), a US$1.1 million decrease (-ve) in overall mining stockpiles and gold in circuit levels to US$30.6 million and a US$1.8 million decrease (+ve) in the provision for obsolete stores inventory to US$3.3 million;
- US$0.1 million decrease in financial assets at fair value through other comprehensive income (-ve);
- US$1.0 million decrease in trade and other receivables (including gold sale receivables) (-ve);
- US$3.1 million decrease in prepayments (-ve); and
- US$77.1 million decrease in net cash (net of foreign exchange movements) (-ve) driven by a US$115.6 million final dividend payment to registered shareholders for 2017, a US$28.9 million interim dividend payment to registered shareholders for 2018 and a US$76.4 million payment to EMRA as distributions to the NCI during the year.

Non-current assets have increased by US$12.6 million, or 1%, from US$915.1 million in 2017 to US$927.7 million, as a result of a:

- US$94.7 million increase in the cost of property, plant and equipment due to additions (+ve);
- US$109.8 million charge for depreciation and amortisation (-ve);
- US$4.7 million decrease in capitalised brownfield exploration and evaluation assets (net of a US$8.7 million Cleopatra net revenue adjustment and US$9.7 million transfer to mine development property, plant and equipment), as a result of the drilling programmes in Sukari Hill (-ve);
- US$32.4 million increase in inventory related to mining stockpiles that will not be processed within 12 months (+ve); and
- US$0.01 million decrease in prepayments and other receivables (-ve).

Current liabilities have decreased by US$14.0 million, or 23%, from US$61.4 million in 2017 to US$47.4 million, as a result of a:

- US$9.0 million decrease in trade payables and a US$3.3 million decrease in accruals (-ve);
- US$0.5 million decrease in tax liabilities accrued during the year (-ve); and
- US$1.2 million offset in current provisions primarily driven by withholding tax, customs and rebate provisions, employee benefits provision and Egypt health insurance provision held at year end (-ve).

Non-current liabilities have increased by US$2.8 million, or 25%, from US$10.9 million in 2017 to US$13.7 million as a result of an increase in the rehabilitation provision.

The value of share capital has increased by US$1.9 million to US$670.6 million, which can be attributed to the value of awards granted under the employee share plans for the period. There has been an increase of 2,615,000 in the number of issued shares over the same period.

Share option reserves reported have increased by US$1.4 million to US$5.7 million as result of the recognition of the share-based payment expenses for the year, offset by vesting and/or forfeiture of awards and the resultant transfer to issued capital and accumulated profits respectively.

Accumulated profits decreased by US$68.4 million to US$610.5 million as a result of a:

- US$152.6 million profit for the year after tax (+ve); offset by
- US$76.4 million profit share paid to EMRA in the year (-ve); and
- US$144.5 million in dividend payments to external shareholders, comprising a US$115.6 million final dividend payment for 2017 and a US$28.9 million interim dividend payment for 2018 (-ve).

Cash flow

Net cash flows generated by operating activities comprise receipts from gold and silver sales and interest income, offset by operating and corporate administration costs. Cash flows from operating activities decreased by US$113.7 million to US$223.4 million, primarily attributable to a decrease in revenue due to a 10% decrease in gold ounces sold at by a slightly higher average realised price offset by an increase in costs as explained above.

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Net cash flows used in investing activities comprise brownfield exploration expenditure capitalised and capital development expenditures. Cash outflows have increased by US$3.7 million to US$83.6 million. The primary use of the funds in the year was for purchases of property, plant and equipment and investment in underground development at the Sukari site in Egypt.

Net cash flows used in financing activities decreased by US$75.1 million to US$221 million, which comprises US$76.4 million of dividends paid to the NCI and US$144.6 million of dividends paid to the owners of the parent during the year.

Effects of exchange rate changes have increased by US$5.4 million as a result of movements of the currencies used across the operations in the year.

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

	31 December 2018 US$'000	31 December 2017 Restated[1] [2] US$'000
Underground exploration	**6,048**	5,983
Underground mine development	**37,161**	32,666
Other sustaining capital expenditure	**45,982**	43,890
Total sustaining capital expenditure	**89,191**	82,539
Non-sustaining exploration capitalised[1] [2]	**7,587**	4,627

(1) Only includes US$7.6 million of the Sukari expenditure relating to Cleopatra in non-sustaining capital expenditure before the offset of net pre-production gold sales.

(2) Please refer to note 1.2.1 of the financial information for the change in accounting policy regarding exploration and evaluation expenditure.

Cumulative exploration expenditure capitalised for Cleopatra at Sukari is US$15.2 million project to date offset by pre-production net revenues of US$13.5 million (refer to notes 2.2 and 2.3 to the financial information for further details) resulting in US$1.7 million remaining on the statement of financial position at 31 December 2018.

Exploration expenditure
The following table provides a breakdown of the total exploration expenditure of the Group:

	31 December 2018 US$'000	31 December 2017 US$'000
Greenfield exploration		
Burkina Faso[1]	**5,223**	6,433
Côte d'Ivoire[1]	**15,783**	13,853
Brownfield exploration		
Sukari tenement	**6,048**	5,983
Cleopatra[2]	**7,587**	4,627
Total exploration expenditure	**34,641**	30,896

(1) Please refer to note 1.2.1 of the financial information for the change in accounting policy regarding exploration and evaluation expenditure.

(2) Cleopatra expenditure before the offset of net pre-production gold sales.

Sukari and exploration and evaluation assets – impairment considerations
In accordance with the requirements of IAS 36 'Impairment of assets' and IFRS 6 'Exploration for and Evaluation of Mineral Resources' it was concluded that the devaluation of the share price of the Company was an impairment indicator for the Sukari Gold Mine and the exploration and evaluation assets. An impairment review has subsequently been performed, refer to note 1.1.2 of the financial information for further information, however no impairment resulted from the review. As no impairment indicators were identified in 2017 an impairment review was not performed in that period.

Exchange rates
Foreign exchange gains have increased from US$1.5 million to US$6.4 million, resulting in a US$4.9 million increase on the prior year.

Ross Jerrard
Chief Financial Officer
Director

25 February 2019

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Non-GAAP financial measures
Four non-GAAP financial measures are used in this report:

1) EBITDA and adjusted 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 cost of production 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 profit for the year before tax to EBITDA:

Reconciliation of profit for the year before tax to EBITDA and adjusted EBITDA:

	Year ended 31 December 2018(1) US$'000	Year ended 31 December 2017(1) Restated(2) US$'000
Profit for the year before tax	**152,702**	207,365
Finance income	**(4,815)**	(2,729)
Depreciation and amortisation	**110,047**	104,562
EBITDA	**257,934**	309,197
Add back: Impairments of non-current assets(3)	**—**	—
Adjusted EBITDA	**257,934**	309,197

(1) Profit before tax, depreciation and amortisation and EBITDA includes a charge to reflect the removal of fuel subsidies (refer to note 2.7 to the financial information for further details).

(2) Please refer to note 1.2.1 of the financial information for the change in accounting policy regarding exploration and evaluation expenditure.

(3) Adjustments made to normalise earnings, for example impairments on non-current assets (i.e. net realisable value, stockpiles, exploration and evaluation assets etc.).

2) Cash cost of production per ounce produced and sold and all-in sustaining costs per ounce sold calculation
Cash cost of production and AISC are non-GAAP financial measures. Cash cost of production 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 cost of production 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.

During June 2013 the World Gold Council, an industry body, published a Guidance Note on 'all-in sustaining costs' 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 cost associated with developing and maintaining gold mines and the cost associated with 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 US$/oz is arrived at by dividing the dollar value of the sum of these cost metrics by the ounces of gold sold (as compared to using ounces produced which is used in the cash cost of production calculation).

On 14 November 2018 the World Gold Council published an updated Guidance Note on 'all-in sustaining costs' and 'all-in costs' metrics, per their press release it is expected that companies may choose to use the updated guidance from 1 January 2019 or on commencement of their financial year if later. The Group will apply the updated guidance from 1 January 2019.

FINANCIAL REVIEW

Reconciliation of cash cost of production per ounce produced:

		Year ended 31 December 2018[(1)]	Year ended 31 December 2017[(1)]
Mine production costs (note 2.3)	US$'000	**328,090**	307,563
Less: refinery and transport	US$'000	**(1,508)**	(1,554)
Movement of inventory[(2)]	US$'000	**(37,188)**	(5,632)
Cash cost of production – gold produced	US$'000	**289,394**	300,377
Gold produced – Total (oz.) (Excluding Cleopatra)	oz	**463,459**	539,715
Cash cost of production per ounce produced	US$/oz	**624**	554[(3)]

(1) Mine production costs, cash cost of production, cash cost of production per ounce, AISC and AISC per ounce sold includes prepayments recorded since Q4 2012 to reflect the removal of fuel subsidies (refer to note 2.7 to the financial information for further details).

(2) The movement in inventory on ounces produced is only the movement on mining stockpiles and ore in circuit while the movement on ounces sold is the net movement on mining stockpiles, ore in circuit and gold in safe inventory.

(3) The cash cost of production per ounce produced at 31 December 2017 was adjusted by the costs of pre-production gold sales related to Cleopatra of US$1,329,000 and divided by total gold produced (including Cleopatra ounces) of 544,658 oz. to give US$554/oz.

A reconciliation has been included below to show the cash cost of production metric should gold sold ounces be used as a denominator.

Reconciliation of cash cost of production per ounce sold:

		Year ended 31 December 2018[(1)]	Year ended 31 December 2017[(1)]
Mine production costs (note 2.3)	US$'000	**328,090**	307,563
Royalties paid	US$'000	**18,396**	20,404
Movement in inventory[(2)]	US$'000	**(31,296)**	2,490
Cash cost of production – gold sold	US$'000	**315,190**	330,457
Gold sold – Total (oz.) (Excluding Cleopatra)	oz	**475,362**	534,783
Cash cost of production per ounce sold	US$/oz	**663**	577[(3)]

(1) Mine production costs, cash cost of production, cash cost of production per ounce, AISC and AISC per ounce sold includes prepayments recorded since Q4 2012 to reflect the removal of fuel subsidies (refer to note 2.7 to the financial information for further details).

(2) The movement in inventory on ounces produced is only the movement on mining stockpiles and ore in circuit while the movement on ounces sold is the net movement on mining stockpiles, ore in circuit and gold in safe inventory.

(3) The cash cost of production per ounce sold at 31 December 2017 was adjusted by the costs of pre-production gold sales related to Cleopatra of US$1,329,000, it was not adjusted by royalties paid of US$20,404,000 and it was divided by gold sold (including Cleopatra ounces) of 539,726 oz. to give US$577/oz.

Reconciliation of AISC per ounce sold:

		Year ended 31 December 2018[(1)]	Year ended 31 December 2017[(1)]
Mine production costs (note 2.3)	US$'000	**328,090**	307,563
Movement in inventory	US$'000	**(31,296)**	2,490
Royalties	US$'000	**18,396**	20,404
Corporate administration costs	US$'000	**15,909**	12,679
Rehabilitation costs	US$'000	**870**	629
Sustaining underground development and exploration	US$'000	**43,209**	38,649
Other sustaining capital expenditure	US$'000	**45,982**	43,890
By-product credit	US$'000	**(1,044)**	(1,167)
All-in sustaining costs[(2)]	US$'000	**420,116**	425,137
Gold sold – Total (oz.) (Excluding Cleopatra)	oz	**475,362**	534,783
AISC per ounce sold	US$/oz	**884**	790[(3)]

(1) Mine production costs, cash cost of production, cash cost of production per ounce, AISC and AISC per ounce sold includes prepayments recorded since Q4 2012 to reflect the removal of fuel subsidies (refer to note 2.7 to the financial information for further details).

(2) Includes refinery and transport.

(3) The AISC per ounce sold at 31 December 2017 was adjusted by the costs of pre-production gold sales related to Cleopatra of US$1,329,000 and divided by total gold sold (including Cleopatra ounces) of 539,726 oz. to give US$790/oz.

3) Cash and cash equivalents, bullion on hand, gold sales receivables and financial assets at fair value through other comprehensive income

Cash and cash equivalents, bullion on hand, gold sales receivables and financial assets at fair value through other comprehensive income is a non-GAAP financial measure. Cash and cash equivalents, bullion on hand, gold sales receivables and financial assets at fair value through other comprehensive income is a measure of the available cash and liquid assets at a point in time. 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 and cash equivalents, bullion on hand, gold sales receivables and financial assets at fair value through other comprehensive income 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 cash and cash equivalents as determined under GAAP. This is a non-GAAP financial measure and other companies may calculate these measures differently.

Reconciliation to cash and cash equivalents, bullion on hand, gold sales receivables and financial assets at fair value through other comprehensive income:

	Note	**Year ended 31 December 2018 US$'000**	Year ended 31 December 2017 US$'000
Cash and cash equivalents	2.13	**282,627**	359,680
Bullion on hand (valued at the year-end spot price)		**11,431**	27,123
Gold sales receivables	2.6	**28,234**	31,007
Financial assets at fair value through other comprehensive income	4.3	—	125
Cash and cash equivalents, bullion on hand, gold sales receivables and financial assets at fair value through other comprehensive income		**322,292**	417,935

4) Free cash flow

Free cash flow is a non-GAAP financial measure. Free cash flow is a measure of the available cash after EMRA profit share payments that the Group has at its disposal to use for capital reinvestment and to distribute to shareholders as dividends in accordance with the Company's dividend policy. 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. Free cash flow 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. This is a non-GAAP financial measure and other companies may calculate these measures differently.

	Year ended 31 December 2018 US$'000	Year ended 31 December 2017 US$'000
Net cash generated from operating activities	**223,404**	337,093
Less:		
Net cash used in investing activities	**(83,585)**	(79,913)
Dividend paid – non-controlling interest in SGM	**(76,391)**	(111,629)
Free cash flow	**63,428**	145,551

CORPORATE GOVERNANCE

Progress was made throughout 2018 to ensure an opportunity for Board refreshment and succession with two new non-executive appointments this year. Alison Baker, who joined the Board in February 2018 and Dr Ibrahim Fawzy, who joined in August 2018. On appointment, Alison joined the Nomination Committee and is chair of the HSES committee. Dr Fawzy has since joined the CGC Committee and HSES Committee. Ross Jerrard, the Company's Chief Financial Officer, also joined the board on 5 February 2018 and these new members bring a wealth of experience within their fields and in the case of Ross, from within the Company.

The board has been refreshed with these three new appointments and there is a pipeline of talent amongst the senior management team, which will ensure we have the right experience and opportunity for succession. Succession and Board refreshment will continue through 2019 and into 2020, with three new non-executive roles to fill, one of whom will be the successor for the non-executive chair.

PRINCIPAL RISKS

Risk Management

The principal risks described in this report can have a serious impact on our ability to deliver on our strategic aims. The management of risks through identification, monitoring and mitigation allows the group to improve its decision making process, deliver on its objectives and improve its performance as a mining company.

The board of Centamin plc (the "Board") has overall responsibility for establishing a robust risk management framework that allows for the assessment and management of material strategic and operational risks. Supported by the Company's Audit and Risk Committee, the Board reviews existing and emerging risks in the context of both opportunities and potential threats. This is then applied when challenging the strategic objectives of the Company that underpin the business model.

Emerging risks

Due in part to the nature of the business as an operating mining company, the headline principal risks, whilst fundamental to the ongoing operation, remain largely constant. The Audit and Risk Committee and Board regularly reviews the principal risks as well as the wider operational, corporate and general business risks.

During the year the following emerging risks were considered:

- ***Tailing Storage Facility (TSF):*** Following recent high profile incidents in the mining sector there has been an increased interest from stakeholders in understanding the level of risk associated with mining companies tailings facilities. The Sukari South TSF is lined to reduce the impact of any seepage or contamination of soil and groundwater. It is reviewed according to regulatory and internal requirements, and water samples taken from adjacent wells and boreholes to monitor for seepage. Centamin's Geotechnical department conducts internal and external technical reviews of the tailings storage facility on a regular basis. It is also inspected on a regular basis by independent consultants and the latest inspection was carried out in November 2018. The latest review confirmed the structural integrity of the TSF however the lower water recycling off the TSF in 2018 has created an excess of water above acceptable levels and managing this water off the TSF is being managed over the next 6 months. Centamin has no history of tailings failures, but as a matter of policy Sukari has an emergency action plan for potential failures that are reviewed at a regular intervals. It is important to note that the nearest external community, Marsa Alam, is located approximately 35 kilometres away from the TSF and not in the catchment area in the event of a dam failure. During 2018, Centamin also commenced a study to design an additional TSF at Sukari. This will be an active downstream dam with targeted completion in 2024.
- ***Capital projects*:** Ensuring capital projects are managed within time and budget is an emerging risk, as the Company considers major capital projects. These include the potential Solar plant at Sukari, the development of the new tailings storage facility and feasibility studies to assess the viability of an operation in Cote d'Ivoire.
- ***Business development:*** Egypt continues to represent a significant opportunity for exploration and future development. As the countries only modern gold mine, the Company's knowledge and expertise is a potential advantage to Centamin. The opportunity has been enhanced as the government makes progress towards a new mining law and new commercial terms for exploration in the region.
- ***Local security – West Africa:*** Increased militant activity in West Africa has caused concern for safety in-country. This will be monitored closely and local Gendarmes and Centamin security personnel are being consulted.
- ***Retention of personnel:*** There have been a number of key changes over the last 12 months in key personnel across senior roles. This is a natural transition as we replace general managers and fill vacancy needs. However, management of changes in senior positions needs to be managed carefully, to ensure consistent delivery of the Company's values and that the workforce remains well supported.
- ***Corporate Action:*** As a listed Company, management must be ready to evaluate approaches and opportunities to ensure value for shareholders is maintained and enhanced. The mining industry has recently seen a number of high profile mergers and consolidations over the year and the Board needs to review any approaches and opportunities so as to ensure the interests of shareholders are protected.
- ***Governance and regulation:*** Compliance with the regulatory and legal environment has the potential for significant negative publicity in including fines and penalties and reputational risk. The regulatory reviews can demand significant time commitments on management and directors. The management team ensures it has access to legal, regulatory and compliance support across the jurisdictions.

Principal risks

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.

During the year the Company experienced two major production downgrades which significantly impacted on the Company's share price. The principal risk in 'achieving production estimates' was elevated to 'high' until the operation demonstrates a return to steady state production. The oversight, included ongoing detailed evaluation of the technical services capability on-site and personnel requirements. At a financial level, the significant change in share price triggered a full impairment test - details and related assumptions are set out in the financial information in section 1.1.2. Further details of the matters in connection with the operational challenges experienced in 2018 are set out in the CEO statement and operational review.

Of particular note is the susceptibility of a change in the estimated average grade delivered from the Underground operation at Sukari. A reduction in grade can significantly affect production levels, which could have a material impact of annual production guidance. The quality of personnel, management and oversight in preparing and delivering the mine plan can all significantly impact the reliability and successful extraction of high grade material.

The current status of the principal risks affecting Centamin and its operational and exploration activities, together with the measures to mitigate risk are detailed in the CEO statement and operational review.

PRINCIPAL RISKS

The directors confirm that a robust assessment of the principal risks impacting the Company has been undertaken which identified strategic and operational risks at a corporate level and principal risks impacting our operations in Egypt and West Africa. The Company's principal risks are as follows:

STRATEGIC RISKS

Loss of revenue due to single project dependency

The Sukari Gold Mine currently constitutes Centamin's main mineral resource and sole mineral reserve and near term production and revenue. The resources in Burkina Faso and Côte d'Ivoire are 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 Gold Mine relationship with our partners EMRA

Whilst Centamin retains control over the project, the holding company, SGM, is jointly owned by the Company's wholly owned subsidiary PGM and EMRA, with equal board representation from both parties. The board of SGM operates by way of simple majority. Should a dispute arise which cannot otherwise be amicably resolved, arbitration or other proceedings may need to be employed.

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 on the Company's ability to repatriate revenues.

OPERATIONAL RISKS

Failure to achieve exploration development success

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.

Reserve and resource estimate

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.

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 and 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.

EXTERNAL RISKS

Gold price

The extent of the Company's financial performance is due in part to the price of gold over which the Company has no influence. Revenues from gold sales are in US dollars and Centamin has exposure to costs in other currencies including Egyptian pounds, Australian dollars and sterling.

Political risk – Sukari

The Company's operational activities are primarily in Egypt, a country that 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 licensing 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.

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.

Litigation

PRINCIPAL 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.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2018

	Note	**31 December 2018 US$'000**	31 December 2017 Restated[1] US$'000
Revenue	2.2	**603,248**	675,510
Cost of sales	2.3	**(406,538)**	(414,341)
Gross profit		**196,710**	261,169
Other income		**49**	680
Finance income	2.3	**4,815**	2,729
Other operating costs	2.3	**(27,866)**	(36,927)
Exploration and evaluation expenditure	1.2.1	**(21,006)**	(20,286)
Profit for the year before tax		**152,702**	207,365
Tax	2.5	**(53)**	(2,063)
Profit for the year after tax		**152,649**	205,302
Profit for the year after tax attributable to:			
– the owners of the parent		**74,845**	96,355
– non-controlling interest in SGM[2]	2.4	**77,804**	108,946
Other comprehensive expense			
Items that may be reclassified subsequently to profit or loss:			
Loss on financial assets at fair value through other comprehensive expense (net of tax)	4.3	**(125)**	(91)
Other comprehensive expense for the year		**(125)**	(91)
Total comprehensive income for the year		**152,524**	205,211
Total comprehensive income for the year attributable to:			
– the owners of the parent		**74,720**	96,265
– non-controlling interest in SGM[2]	2.4	**77,804**	108,946
Earnings per share attributable to owners of the parent:			
Basic (US cents per share)	6.4	**6.497**	8.377
Diluted (US cents per share)	6.4	**6.444**	8.312

(1) Restated due to change in accounting policy, refer to note 1.2.1 for further information

(2) Restated due to change in presentation, refer to note 1.1.1 for further information

The above unaudited consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2018

	Note	**31 December 2018**	31 December 2017 Restated(1)	1 January 2017 Restated(1)
		US$'000	US$'000	US$'000
Non-current assets				
Property, plant and equipment	2.8	**835,987**	851,099	868,926
Exploration and evaluation asset	1.2.1	**59,154**	63,885	65,700
Inventories - mining stockpiles	1.2.2	**32,424**	—	—
Prepayments	2.7	—	—	295
Other receivables	2.6	**88**	96	81
Total non-current assets		**927,653**	915,080	935,002
Current assets				
Inventories	1.2.2	**97,550**	105,210	128,582
Financial assets at fair value through other comprehensive income	4.3	—	125	130
Trade and other receivables	2.6	**33,443**	34,467	24,870
Prepayments	2.7	**6,696**	9,793	7,508
Cash and cash equivalents	2.13	**282,627**	359,680	399,873
Total current assets		**420,316**	509,275	560,963
Total assets		**1,347,969**	1,424,355	1,495,965
Non-current liabilities				
Provisions	2.10	**13,748**	10,961	7,697
Total non-current liabilities		**13,748**	10,961	7,697
Current liabilities				
Trade and other payables	2.9	**39,246**	51,585	43,991
Tax liabilities	2.5	**3**	469	—
Provisions	2.10	**8,155**	9,311	3,976
Total current liabilities		**47,404**	61,365	47,967
Total liabilities		**61,152**	72,326	55,664
Net assets		**1,286,817**	1,352,029	1,440,301
Equity				
Issued capital	2.11	**670,589**	668,732	667,472
Share option reserve	2.12	**5,688**	4,323	3,048
Accumulated profits		**610,540**	678,974	769,781
Total equity attributable to:				
– owners of the parent		**1,287,087**	1,353,712	1,439,301
– non-controlling interest in SGM(2)	2.4	**(270)**	(1,683)	1,000
Total equity		**1,286,817**	1,352,029	1,440,301

(1) Restated due to change in accounting policy, refer to note 1.2.1 for further information

(2) Restated due to change in presentation, refer to note 1.1.1 for further information

The above unaudited consolidated statement of financial position should be read in conjunction with the accompanying notes.

The unaudited consolidated financial information was approved by the board of directors on 25 February 2019 and signed on its behalf by:

Andrew Pardey
Chief Executive Officer
Director
25 February 2019

Ross Jerrard
Chief Financial Officer
Director
25 February 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2018

	Note	**Issued Capital US$'000**	**Share Option Reserve US$'000**	**Accumulated profits US$'000**	**Total US$'000**	**Non-controlling interests US$'000**	**Total Equity US$'000**
Balance as at 1 January 2018		**668,732**	**4,323**	**785,604**	**1,458,659**	**(1,683)**	**1,456,976**
Impact of change in accounting policy	1.2.1	—	—	**(104,947)**	**(104,947)**	—	**(104,947)**
Restated balance as at 1 January 2018		**668,732**	**4,323**	**680,657**	**1,353,712**	**(1,683)**	**1,352,029**
Profit for the year after tax		—	—	**74,845**	**74,845**	**77,804**	**152,649**
Other comprehensive expense for the year		—	—	**(125)**	**(125)**	—	**(125)**
Total comprehensive income for the year		—	—	**74,720**	**74,720**	**77,804**	**152,524**
Recognition of share-based payments		—	**3,222**	—	**3,222**	—	**3,222**
Transfer of share-based payments		**1,857**	**(1,857)**	—	—	—	—
Dividend paid – non-controlling interest in SGM	2.4	—	—	—	—	**(76,391)**	**(76,391)**
Dividend paid – owners of the parent		—	—	**(144,567)**	**(144,567)**	—	**(144,567)**
Balance as at 31 December 2018		**670,589**	**5,688**	**610,810**	**1,287,087**	**(270)**	**1,286,817**

	Note	Issued Capital US$'000	Share Option Reserve US$'000	Accumulated profits US$'000	Total US$'000	Non-controlling interests Restated(1) US$'000	Total Equity US$'000
Balance as at 1 January 2017		667,472	3,048	856,999	1,527,519	1,000	1,528,519
Impact of change in accounting policy	1.2.1	—	—	(88,218)	(88,218)	—	(88,218)
Restated balance as at 1 January 2017		667,472	3,048	768,781	1,439,301	1,000	1,440,301
Profit for the year after tax		—	—	96,356	96,356	108,946	205,302
Other comprehensive expense for the year		—	—	(91)	(91)	—	(91)
Total comprehensive income for the year		—	—	96,265	96,265	108,946	205,211
Recognition of share-based payments		—	2,535	—	2,535	—	2,535
Transfer of share-based payments		1,260	(1,260)	—	—	—	—
Dividend paid – non-controlling interest in SGM	2.4	—	—	—	—	(111,629)	(111,629)
Dividend paid – owners of the parent		—	—	(184,389)	(184,389)	—	(184,389)
Balance as at 31 December 2017		668,732	4,323	680,657	1,353,712	(1,683)	1,352,029

(1) Restated due to change in presentation, refer to note 1.1.1 for further information

The above unaudited 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 2018

	Note	**31 December 2018 US$'000**	31 December 2017 Restated(1) US$'000
Cash flows from operating activities			
Cash generated in operating activities	2.13	**223,791**	338,664
Income tax refund received		—	108
Income tax paid		**(387)**	(1,678)
Net cash generated by operating activities		**223,404**	337,094
Cash flows from investing activities			
Acquisition of property, plant and equipment		**(83,454)**	(76,872)
Brownfield exploration and evaluation expenditure		**(4,946)**	(5,770)
Finance income	2.3	**4,815**	2,729
Net cash used in investing activities		**(83,585)**	(79,913)
Cash flows from financing activities			
Dividend paid – non-controlling interest in SGM	2.4	**(76,391)**	(111,629)
Dividend paid – owners of the parent		**(144,567)**	(184,389)
Net cash used in financing activities		**(220,958)**	(296,018)
Net decrease in cash and cash equivalents		**(81,139)**	(38,837)
Cash and cash equivalents at the beginning of the period		**359,680**	399,873
Effect of foreign exchange rate changes		**4,086**	(1,356)
Cash and cash equivalents at the end of the period	2.13	**282,627**	359,680

(1) Restated due to change in accounting policy, refer to note 1.2.1 for further information

The above unaudited 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 2018

CONTENTS OF THE NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

1. Current reporting period amendments

1.1 Changes in critical judgements and estimates

The following are the updates and/or changes to critical accounting judgements and estimates that management has made in the year in applying the Group's accounting policies and that have the most significant effect on the amounts recognised and the disclosure of such amounts in the financial information.

- During the year the UK Financial Reporting Council ("FRC") conducted a review of our 2017 annual report. The FRC had two main areas of focus which have subsequently been addressed:
  - The accounting treatment of Sukari Gold Mining Company ("SGM") based on control; and
  - The treatment and disclosure of the EMRA ("Egyptian Mineral Resource Authority") profit share and its compliance with IFRS.

  The following outcomes were determined from the review:
  - It was agreed that management's judgement and assessment of control of SGM was correct and that disclosure was to be further enhanced to reflect this; and
  - As control of SGM had been established, EMRA's interest in SGM should be accounted for as a non-controlling interest rather than an expense line on the income statement, disclosure has been changed to reflect this.

  For further information, see note 1.1.1 below.

- During the year production forecasts were reduced due to lower than forecast gold production. The reasons for this have already been addressed elsewhere in the annual report. The risk of not achieving production forecasts in the short term result in, among others:
  - significant impacts on the profitability of the Group;
  - the reduced return of profit to stakeholders;
  - the subsequent devaluation of the share price consequently triggered the requirement of an impairment assessment of the Group assets to occur.

  To address this risk, management are improving internal controls around grade reconciliations and production forecasts which directly impacts budgeting, forecasting and profitability of the Group.

  For further information, see note 1.1.2 below

1.1.1 Judgement: Control

1.1.1.1 Accounting treatment of Sukari Gold Mine ("SGM")

Pharaoh Gold Mines NL (holder of an Egyptian branch) ("PGM") and EMRA are 50:50 partners in SGM. The FRC questioned management's judgement of control and resulting full consolidation of SGM as a subsidiary within the Group's financial information.

SGM is consolidated within the Group, reflecting the substance and economic reality of the Concession Agreement ("CA") (see note 4.1 to the financial information). The IFRS 10 definition of control encompasses three distinct principles, which, if present, identify the existence of control by an investor over an investee, hence forming a parent-subsidiary relationship:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of the investor's returns.

An investor has power over an investee when the investor has existing rights that give it the current ability to direct the relevant activities (i.e. the activities that significantly affect the investee's returns). The following is a list of some of the relevant activities considered which the Company directs, through PGM, in relation to the operation of the Sukari Gold Mine that most significantly affect the returns of SGM:

- The following activities are controlled by the Company, through PGM, by having the right to appoint or remove the managing director of SGM under the terms of the CA:
  - The appointment of the General Manager ("GM") at SGM;
  - The GM makes all the day to day decisions to allow the mine to operate which involve:
    - preparing SGM's work programmes through determination of the daily and longer term mine plans, the budgets covering the operations to be carried out throughout the life of the mine and approval of the same;
    - capital expenditure, procurement, cost control and treasury;
    - conducting exploration, development, production and marketing operations;
    - co-ordinating SGM operations and activities, including its dealings with all contractors and subcontractors;
    - bearing ultimate responsibility for all costs and expenses required in carrying out any and all operations under the CA;
    - funding the operations of SGM and recovering costs and expenses throughout the life of the mine (i.e. exploration, development and production phases);

        - funding additional exploration and expansion programmes within the mine during the production phase;
        - custody of SGM's stock and management of its funds;
        - selling and shipping of all gold and associated metals produced; and
        - entering into and managing gold sales or hedging contracts and forward sale agreements;
    - EMRA must, in terms of the CA, make the required approvals to allow the mine to operate.
- Role and function of the board of SGM:
    - There are six board members:
        - three of which are appointed by the Company, through PGM; and
        - three of which are appointed by EMRA;
            - the Executive Chairman, as one of the three EMRA appointed board members, is a representative of EMRA and is appointed by the Egyptian Ministry of Finance.
    - It convenes twice a year to:
        - facilitate a forum for sharing information between the owners of SGM;
        - provide a mechanism to scrutinise the timing and amounts of expenses; rather than as a decision-making body over SGM's most significant relevant activities;
        - consider and approve the budget, annual accounts of SGM, review and approve the cost recovery position and other compliance matters; and
        - is not allowed to unreasonably withhold approval.
    - Resolving a deadlock position:
        - Disputed matters are resolved through open discussion at board level;
            - the Executive Chairman does not have a veto or casting vote;
        - Where matters cannot be agreed upon, an ad-hoc committee is appointed with each party having equal representation. This committee will then recommend an appropriate course of action to the board with the best interest of all shareholders in mind;
        - Should the board still not agree on a course of action, there is a provision for arbitration and ultimately matters can be presented to the International Court of Arbitration at The Hague;
    - The board of SGM cannot appoint or remove the GM, this right belongs solely to the Company, through PGM, in terms of the CA;
- EMRA and/or the Egyptian Government have no downside risk in their share of SGM. If SGM were to become loss making or insolvent, these costs are absorbed in its entirety by the Company, through PGM, in accordance with the CA.

The Company is therefore exposed to the variable returns, has the ability to affect the amount of those returns, has power over SGM through its ability to direct its relevant activities and therefore meets all the criteria of control to consolidate SGM's results within the Group to reflect the substance and economic reality of the CA.

As the Company, through PGM, is determined to be the controlling party, it should consolidate its subsidiary, SGM, and should apply consolidation procedures, combining balance sheet and profit and loss items line by line as well as applying the rest of the consolidation procedures set out in IFRS 10 App B para B86. The Group therefore prepares consolidated financial information on this basis.

1.1.1.2 Treatment and disclosure of EMRA profit share

EMRA holds fifty percent of the shares in the Group subsidiary, SGM, which are not attributable to the Company, and it is entitled to receive net proceeds from the operations of SGM on a residual basis in accordance with their specified shareholding per the CA (this distribution is in accordance with the profit share mechanism and not as a consequence of accumulated profits as defined by accounting standards). Therefore, the Group recognises a non-controlling interest in SGM ("NCI") to represent EMRA's participation.

In terms of the CA, the NCI's rights to any profit share payments (dividend distributions) is only triggered after the cost recovery of all amounts invested (or spent during operations) during the exploration, construction and development stages have been repaid to PGM. The profit share mechanism was only triggered in November 2016 (after all amounts due to be cost recovered were complete). Until that time the NCI had no rights to claim any distribution of accumulated profits or profit share.

It is important to note that the availability of cash in SGM for distribution to its shareholders as profit share is under the control of the Company, through PGM, by the decisions made on SGM's strategic direction and day to day operational requirements of running the mine. This is regarded as discretionary and exposes the Company to variable returns.

Distributions to shareholders in SGM:

- Once all expenditure requirements have been met, excess cash reserves, if any, are distributed to both SGM shareholders:
    - Distributions are always made simultaneously to both shareholders;
    - The split of the distribution is in accordance with the ratchet mechanism (i.e. the standard profit share ratios of 60/40 (first 2 years), 55/45 (second 2 years) and 50/50 to PGM and EMRA respectively through time) as governed by the CA; but:
        - Distributions are not mandatory, entirely discretionary and there are only distributions if there are excess funds;
        - Distributions are paid in advance on a weekly or fortnightly basis by mutual agreement between shareholders;
- At end of the SGM reporting period, final profits are determined, externally audited and then approved by the board of SGM:

- Final profit distributions become payable within 60 days of the financial year end, SGM is unable to avoid payment at this point and the amount payable is recorded as equity attributable to the NCI until paid;
- The CA is merely a shareholder agreement specifying how and when profits from SGM will be distributed to shareholders and is typical of a minority shareholder protection mechanism.

The Group should attribute the profit or loss for the year after tax and each component of other comprehensive income for the year to the owners of the parent and to the NCI in SGM. The entity shall also attribute total comprehensive income for the year to the owners of the parent and to NCI even if this results in the NCI having a deficit balance (IFRS 10 App B para B94). The CA only contemplates the distribution of profit to shareholders. The NCI would only have a deficit balance where advance distributions paid during the year have exceeded final distributions payable after year end accounts have been prepared and audited. This deficit would be entirely funded by the Company, through PGM, and would first be redeemed from future excess cash before regular distributions to both parties resume. SGM has no claw back provision for advance profits paid to the NCI. We note that annual dividend payments, after approval of audited financial statements, is a standard feature of transactions with an NCI and that such payments are not normally treated as non-discretionary payments triggering a liability in the consolidated statement of financial position of the parent.

Any losses generated by SGM will be entirely funded by the Company, through PGM, but attributed to both shareholders. These losses will first be recovered before further profit share distributions commence.

In the Group statement of financial position, all the accumulated profits of SGM are attributable to the Company as EMRA have already received their share through the advance profit distribution payments made, therefore NCI is usually disclosed in the financial statements as nil unless there is an outstanding distribution payable to or deficit from EMRA due to timing differences of the cash sweep. Please refer to note 2.4 for further information.

The FRC questioned the prior presentation of the EMRA profit share below the subtotal of ‘Profit for the year after tax’ as to whether it complied with IAS 1 and queried the potential inconsistency of this presentation with the measurement of the EMRA profit share payment as a financial instrument.

Having carefully considered the FRC’s query and having discussed this directly with our auditors and the FRC, it was agreed that the disclosure would be amended to better reflect the nature of the arrangement. The impact has been as follows:

In the Statement of Comprehensive Income:
- The ‘EMRA profit share’ and ‘Profit for the year after EMRA profit share’ line items have been removed;
- A new financial statement line item ‘Non-controlling interest in SGM’ has been added to the ‘Profit for the year after tax attributable to’ section, this represents EMRA’s profit share interest in SGM; and
- Earnings Per Share (“EPS”), as always, has been calculated on profit attributable to owners of the parent (i.e. shareholders of the Company).

	Note	**31 December 2018 US$’000**	31 December 2017 Restated(1) US$’000
Profit for the year after tax		**152,649**	205,302
Profit for the year after tax attributable to:			
– the owners of the parent		**74,845**	96,355
– non-controlling interest in SGM	2.4	**77,804**	108,946
Total comprehensive income for the year		**152,524**	205,211
Total comprehensive income for the year attributable to:			
– the owners of the parent		**74,720**	96,265
– non-controlling interest in SGM	2.4	**77,804**	108,946

In the Statement of Financial Position:
- The EMRA accrual within ‘Trade and other payables’ has been removed. This related to their remaining interest after profit share payments in the equity of the Sukari Gold Mining Company and is now reflected at the bottom of the statement as non-controlling interest in SGM.
- A new financial statement line item ‘Non-controlling interest in SGM’ has been added to the ‘Total equity attributable to’ section at the base of the statement and represents EMRA’s profit share interest in SGM.

	Note	**31 December 2018 US$’000**	31 December 2017 Restated(1) US$’000	1 January 2017 Restated(1) US$’000
Total equity attributable to:				
– owners of the parent		**1,287,087**	1,353,712	1,439,301

– non-controlling interest in SGM	2.4	**(270)**	(1,683)	1,000
Total equity		**1,286,817**	1,352,029	1,440,301

In the Statement of changes in equity:

- The statement has been split into two sections:
    - the section attributable to the owners of the parent; and
    - the section attributable to the non-controlling interest in SGM called 'Non-controlling interests'.
- The line 'EMRA profit share' has been removed and 'Profit for the year after tax' has been allocated between 'Owners of the parent' and 'Non-controlling interest in SGM' in accordance with the segmented reporting and EMRA's interest in SGM;
- As EMRA's interest in SGM is now disclosed as a non-controlling interest, the distributions to EMRA are considered to be equity rather than debt and as such a new financial statement line item 'Dividend paid – non-controlling interest in SGM' has been added which represents the profit share paid to EMRA during the year.

	Note	Accumulated profits US$'000	Total US$'000	Non-controlling interests US$'000	Total Equity US$'000
Profit for the year after tax		**74,845**	**74,845**	**77,804**	**152,649**
Other comprehensive income for the year		**(125)**	**(125)**	**—**	**(125)**
Total comprehensive income for the year		**74,720**	**74,720**	**77,804**	**152,524**
Dividend paid – non-controlling interest in SGM	2.4	—	—	**(76,391)**	**(76,391)**

FRC review: Scope and limitations

The FRC review was based on our 2017 annual report and accounts and did not benefit from a detailed knowledge of our business or an understanding of the underlying transactions entered into. It is, however, conducted by staff of the FRC who have an understanding of the relevant legal and accounting framework. The FRC supports the continuous improvement in the quality of corporate reporting and recognises that those with more detailed knowledge of our business, including our audit committee and auditors, may have recommendations for future improvement, consideration of which the FRC would encourage.

The letters received from the FRC during their review provide no assurance that our report and accounts are correct in all material respects; the FRC's role is not to verify the information provided but to consider compliance with reporting requirements. The letters received from the FRC during their review are written on the basis that the FRC (which includes the FRC's officers, employees and agents) accepts no liability for reliance on them by the company or any third party, including but not limited to investors and shareholders.

1.1.2 Impairment assessment of Group assets

IFRS requires management to test for impairment if events or changes in circumstances indicate that the carrying amount of a finite live asset may not be recoverable. Management concluded that a trigger occurred as a result of the production downgrade and the corresponding devaluation of the share price and were therefore required to perform a full impairment review under IAS 36. On review no impairment was required and no further indicators have arisen after the reporting period.

In making its assessment as to the possibility of whether any impairment losses had arisen, management considered the following as part of its assessment of the recoverable amount:

- internal sources of information; and
- external sources of information.

1.1.2.1 Sukari Gold Mine

The revisions to production guidance at Sukari CGU ('CGU') during 2018 significantly affected the Company share price and was considered a trigger for an impairment assessment of property, plant and equipment.

The assessment compared the recoverable amount of the Sukari gold mine Cash Generating Unit ('CGU') with its carrying value for the year ended 31 December 2018. The recoverable amount of the CGU is assessed by reference to the higher of value in use ('VIU'), being the net present value ('NPV') of future cash flows expected to be generated by the asset, and fair value less costs to dispose ('FVLCD'). The FVLCD is derived using discounted cash flow techniques (NPV of expected future cash flows of a CGU), which incorporate market participant assumptions. Cost to dispose is based on management's best estimates of future selling costs at the time of calculating FVLCD. Costs attributable to the disposal of the CGU are not considered significant. The expected future cash flows utilised in the FVLCD model are derived from estimates of projected future revenues, future cash costs of production and capital expenditures contained in the life of mine ('LOM') plan, and as a result FVLCD is considered to be higher than VIU. The Group's LOM plan reflects proven and probable reserves, assumes limited in-situ resource conversion, and is based on detailed research, analysis and modelling to optimise the internal rate of return.

The discount rate applied to calculate the present value is based upon the real weighted average cost of capital applicable to the CGU. The discount rate reflects equity risk premiums over the risk-free rate, the impact of the remaining economic life of the CGU and the risks associated with the relevant cash flows based on the country in which the CGU is located. These risk adjustments are based on observed equity risk premiums, historical country risk premiums and average credit default swap spreads for the period.

During the impairment assessment management applied the following key assumptions: long-term gold price US$1,300/oz, real discount rate of 5% and an in-situ resource multiple of US$45/oz.

For purposes of testing for impairment of the Sukari CGU, we have assessed whether a reasonably possible change in any of the key assumptions used to estimate the recoverable value for the CGU would result in an impairment charge. Sensitivity calculations were performed for the CGU based on:

- a decrease in the gold price of US$100 per ounce for 2019;
- a decrease in the in-situ resource multiple to US$23/oz; and
- a reduction in 2019 production to 480,000 ounces.

In isolation, none of the changes set out above would result in an impairment. This sensitivity analysis also does not take into account any of management's mitigation factors should these changes occur.

1.1.2.2 Exploration and evaluation assets

In accordance with the requirements of IAS 36 'Impairment of assets' and IFRS 6 'Exploration for and Evaluation of Mineral Resources' it was concluded that the devaluation of the share price of the Company was a trigger for an impairment assessment for the Company's exploration and evaluation assets.

The assessment compared the recoverable amount of the individual Exploration and Evaluation Asset Cash Generating Units ('E&E CGU') with their carrying value for the year ended 31 December 2018. The recoverable amount of the E&E CGU's is assessed by reference to the higher of VIU, being the NPV of future cash flows expected to be generated by the asset, and FVLCD. The FVLCD is derived using discounted cash flow techniques (NPV of expected future cash flows of a CGU), which incorporate market participant assumptions. Cost to dispose is based on management's best estimates of future selling costs at the time of calculating FVLCD. Costs attributable to the disposal of the E&E CGU's are not considered significant. The expected future cash flows utilised in the FVLCD model are derived from estimates of resource multiples multiplied by proven and probable reserves of the E&E CGU's and were considered to be higher than the VIU amount.

For purposes of testing for impairment of the E&E CGU's, we have assessed whether a reasonably possible change in any of the key assumptions used to estimate the recoverable value would result in an impairment charge. Sensitivity calculations were performed based on:

- a decrease in the in-situ resource multiple to US$16/oz; and
- a reduction in reserves to 3.25 million ounces.

In isolation, none of the changes set out above would result in an impairment. This sensitivity analysis also does not take into account any of management's mitigation factors should these changes occur.

1.2 Changes in policies and estimates

The financial position and performance of the Group was particularly affected by the following events and transactions during the reporting period:

- The change in accounting policy regarding the treatment of costs related to Exploration and Evaluation of Mineral Resources under IFRS 6, which was made in the 2018 interim financial statements:
    - Previously the policy applied was to capitalise all exploration expenditure without a distinction between Greenfield and Brownfield exploration expenditure;
    - This policy has been changed and retrospectively applied whereby:
        - all Greenfield exploration costs will be expensed as incurred; whilst
        - Brownfield exploration costs will continue to be capitalised

  For further information, see note 1.2.1 below.

- Mining stockpiles inventory has been split between current and non-current assets based on the expected drawdown on the stockpile by the processing plant,
    - The volume of ore extracted in the year has far exceeded the capacity of the processing plant causing the stockpiles to increase significantly in size and value.
    - Based on mining and processing forecasts these stockpiles will not be consumed within the next 12 months and as such a classification is required between current and non-current assets.
    - The cost versus net realisable value of the mining stockpiles were assessed, with the cost being determined as the lower of cost and net realisable value.

  - In line with the updated mineral reserves estimate for Sukari at 30 June 2018, the mine cut-off grade for the surface stockpiles has been changed from 0.3 to 0.4 grams per tonne. Amounts under 0.4g/t have been expensed resulting in a US$5.7 million charge.

  For further information, see note 1.2.2 below.

- Adoption of the following new and revised accounting standards:
  - IFRS 15 'Revenue from contracts' with customers has been applied since 1 January 2018 with no significant impact to the annual results; and
  - IFRS 9 'Financial instruments' has been applied since 1 January 2018 with no significant impact to the annual results.

  New standards, amendments and interpretations not yet adopted:
  - IFRS 16 'Leases' has been assessed by management, the impact of which has been disclosed.

  For further information, see note 1.2.3 below.

1.2.1 Change in accounting policy – Exploration and evaluation asset

On 1 January 2006 the Group adopted IFRS 6 'Exploration for and evaluation of mineral resources' and as allowed under the standard, applied the policy of capitalising all Exploration Expenditure (both Greenfield and Brownfield Exploration and Evaluation expenditure).

The Greenfield and Brownfield terms are generally used in the minerals sector and have been adopted to differentiate high risk remote exploration activity from near-mine exploration activity:

a) Greenfield exploration refers to territory, where mineral deposits are not already developed and has the goal of establishing a new mine requiring new infrastructure, regardless of it being in an established mining field or in a remote location. Greenfield exploration projects can be subdivided into grassroots and advanced projects embracing prospecting, geoscientific surveys, drilling, sample collection and testing, but excludes work of brownfields nature, pit and shaft sinking and bulk sampling.

b) Brownfield exploration, also known as near-mine exploration, refers to areas where mineral deposits were previously developed. In brownfield exploration, geologists look for deposits near or adjacent to an already operating mine with the objective of extending its operating life and taking advantage of the established infrastructure.

Having reassessed the accounting policies and to make the financial information more relevant to its users and more consistent with industry peers, it has been determined that the accounting policy for Greenfield exploration and evaluation assets be retrospectively changed to expense rather than capitalise these costs until a decision is made to pursue a commercially viable project. The rationale for this change is that; due to the early stage of the projects there is a greater risk that the projects will ultimately not become viable and hence increased risk that economic benefits will ultimately not flow to the Group.

Brownfield exploration costs will continue to be capitalised to the statement of financial position.
In accordance with IAS 8 'Accounting policies, changes in accounting estimates and errors' this revised accounting policy has to be applied retrospectively.

The following table summarises the adjustments made to the statement of financial position on implementation of the change in accounting policy.

	Exploration and evaluation asset US$'000	Accumulated profits US$'000
Balance at 1 January 2017 as previously reported	153,918	857,999
Impact of change in accounting policy	(88,218)	(88,218)
Restated balance at 1 January 2017	**65,700**	**769,781**

	Exploration and evaluation asset US$'000	Accumulated profits US$'000
Balance at 31 December 2017 as previously reported	168,832	783,921
Impact of change in accounting policy at 1 January 2017	(88,218)	(88,218)
Impact of change in accounting policy during 2017	(16,729)	(16,729)
Restated balance at 31 December 2017	**63,885**	**678,974**

The effects on the statement of comprehensive income and earnings per share were as follows:

	Note	**31 December 2018**	31 December 2017 Restated

		US$'000	US$'000
(Increase) in exploration and evaluation costs		**(21,006)**	(20,286)
Decrease in impairment of exploration and evaluation assets		—	3,557
(Decrease) in profit for the period before tax		**(21,006)**	(16,729)
Earnings per share attributable to owners of the parent as previously reported:			
Basic (cents per share)		**8.321**	9.832
Diluted (cents per share)		**8.252**	9.755
Restated earnings per share attributable to owners of the parent:			
Basic (cents per share)	6.3	**6.497**	8.377
Diluted (cents per share)	6.3	**6.444**	8.312

Therefore, the restated note to the annual financial information is as follows:

Exploration and evaluation asset

	31 December 2018	31 December 2017 Restated
	US$'000	US$'000
Balance at the beginning of the year	**63,885**	65,700
Expenditure for the period	**13,635**	10,610
Pre-production gold sales net of costs related to Cleopatra	**(8,688)**	(4,841)
Transfer to property, plant and equipment	**(9,678)**	(7,584)
Balance at the end of the year	**59,154**	63,885

The exploration and evaluation asset relates to the drilling, geological exploration and sampling of potential ore reserves and can be attributed to Egypt (US$24.0 million) and Burkina Faso (US$35.2 million relating to the acquisition of Ampella Mining Limited).

In accordance with the requirements of IAS 36 'Impairment of assets' and IFRS 6 'Exploration for and Evaluation of Mineral Resources' it was concluded that the production downgrade and corresponding devaluation of the share price of the Company was an impairment indicator for the exploration and evaluation assets. An impairment review has subsequently been performed, refer to note 1.1.2 of the financial information for further information, however no impairment resulted from the review. As no impairment indicators were identified in 2017 an impairment review was not performed in that period.

The new accounting policy is as follows:

Accounting policy: Exploration, evaluation and development expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are differentiated between Greenfield and Brownfield exploration activities in the year in which they are incurred.

The Greenfield and Brownfield terms are generally used in the minerals sector and have been adopted to differentiate high risk remote exploration activity from near-mine exploration activity:

(a) *Greenfield exploration refers to territory, where mineral deposits are not already developed and has the goal of establishing a new mine requiring new infrastructure, regardless of it being in an established mining field or in a remote location. Greenfield exploration projects can be subdivided into grassroots and advanced projects embracing prospecting, geoscientific surveys, drilling, sample collection and testing, but excludes work of brownfields nature, pit and shaft sinking and bulk sampling; and*

(b) *Brownfield exploration, also known as near-mine exploration, refers to areas where mineral deposits were previously developed. In brownfield exploration, geologists look for deposits near or adjacent to an already operating mine with the objective of extending its operating life and taking advantage of the established infrastructure.*

Greenfield exploration costs will be expensed as incurred and will not be capitalised to the balance sheet until a decision is made to pursue a commercially viable project. Brownfield exploration costs will continue to be capitalised to the statement of financial position.

Brownfield 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:

- *the rights to tenure of the area of interest are current; and*
- *at least one of the following conditions is also met:*
  - *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*
  - *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 based on the commercial and technical feasibility, 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.

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 in note 2.2. The commencement date of commercial production is determined when stable and sustained production capacity has been achieved.

1.2.2 Change in accounting estimates: Mining stockpiles

The treatment and classification of mining stockpiles within inventory has changed during the year of assessment resulting in the disclosure being split between current and non-current assets. Stockpiles which will not be consumed within the next 12 months based on mining and processing forecasts have been reclassified to non-current assets. The reason for the change is the manner in which the mining stockpiles will be utilised or drawn upon in the future within the life of mine with priority being placed on the higher grade ore. The volume of ore extracted from the open pit in the year far exceeded the volume that could be processed, which has caused a large increase in the volume and value of the Mining stockpiles.

The carrying value of the non-current asset portion is assessed at the lower of cost or net realisable value. The cost of the mining stockpiles was assessed through comparing the current costs and discounting the future processing costs at a US$ applicable rate of 3.02% over the expected life of the asset to the future expected selling price. The net present value was the higher of the two and as such it is valued at cost.

In line with the updated mineral reserves estimate for Sukari at 30 June 2018, the mine cut-off grade for the surface stockpiles has been changed from 0.3 to 0.4 grams per tonne (g/t). Amounts under 0.4g/t have been expensed which resulted in a US$5.7 million charge.

Therefore, the note to the annual financial information is as follows:

Inventories - mining stockpiles

	31 December 2018 US$'000	31 December 2017 US$'000
Non-current		
Mining stockpiles	**32,424**	—
	32,424	—

	31 December 2018 US$'000	31 December 2017 US$'000
Current		
Mining stockpiles and ore in circuit	**30,601**	31,728
Stores inventory	**70,281**	78,618
Provision for obsolete stores inventory	**(3,332)**	(5,136)
	97,550	105,210

Accounting policy: Inventories

Inventories include mining stockpiles, gold in process and dóre supplies, stores and materials, and are stated at the lower of cost and net realisable value. The cost of mining stockpiles and gold produced is determined principally by the weighted average cost method using related production costs.

Cost of mining stockpiles include costs incurred up to the point of stockpiling, such as mining and grade control costs, but exclude future costs of production. Ore extracted is allocated to stockpiles based on estimated grade, with grades below defined cut-off levels treated as waste and expensed. While held in physically separate stockpiles, the Group blends the ore from each stockpile when feeding the processing plant to achieve the resultant gold content. In such circumstances, lower and higher grade ore stockpiles each represent a raw material, used in conjunction with each other, to deliver overall gold production, as supported by the relevant feed plan.

The processing of ore in stockpiles occurs in accordance with the Life of Mine (LoM) processing plan and is currently being optimised based on the known mineral reserves, current plant capacity and mine design. Ore tonnes contained in the stockpiles which exceed the annual tonnes to be milled as per the mine plan in the following year, are classified as non-current in the statement of financial position. Currently at Sukari, low grade low (0.4 to 0.5g/t) open pit stockpile material above the cut-off grade of 0.4g/t has been reclassified to non-current assets as these ore tonnes are not planned to be processed within the next 12 months.

The net realisable value of mining stockpiles is determined with reference to estimated contained gold and market gold prices applicable. Mining stockpiles which are blended together with future ore mined when fed to the plant are assessed as an input to the gold production process to ensure the combined stockpiles are carried at the lower of cost and net realisable value. Mining stockpiles which are not blended in production are assessed separately to ensure they are carried at the lower of cost and net realisable value, although no such stockpiles are currently held.

Costs of gold inventories include all costs incurred up until production of an ounce of gold such as milling costs, mining costs and directly attributable mine general and administration costs but exclude transport costs, refining costs and royalties. Net realisable value is determined with reference to estimated contained gold and market gold prices.

Stores and materials consist of consumable stores and are valued at weighted average cost after appropriate impairment of redundant and slow moving items. Consumable stock for which the Group has substantially all the risks and rewards of ownership are brought onto the statement of financial position as current assets.

For a detailed discussion about the Group's performance and financial position, please refer to the Financial Review.

1.2.3 Adoption of new and revised accounting policies

Standards not affecting the reported results or the financial position

In the current year, the following new and revised standards and interpretations that have been adopted have not had a material impact on the amounts reported in these financial information.

IFRS 15 'Revenue from contracts with customers'

This standard replaced 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 assessed the impact of IFRS 15 and determined that its application will result in no changes in its revenue recognition. The Group only has a single short term performance obligation and the majority of gold sales are not subject to pricing adjustments, therefore the new standard has no significant impact. The new standard was effective for annual periods beginning on or after 1 January 2018.

IFRS 9 'Financial instruments'

This standard addresses the financial reporting of financial assets and financial liabilities and replaced IAS 39 'Financial instruments: recognition and measurement'. IFRS 9 requires financial assets to be classified into three measurement categories: those measured at fair value through profit and loss, those measured at fair value through other comprehensive income 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 impairment model, hedging rules and derecognition rules have also been amended under IFRS 9. IFRS 9 has had no material impact on current results as the Group 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. The Group has considered the impact of IFRS 9 on the accounting for assets currently held as available-for‑sale and determined it to not be material. The new standard was effective for annual periods beginning on or after 1 January 2018.

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 information 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. These standards have not been early adopted by the Group and the Group's assessment of the impact of these new standards and interpretations is set out blow:

IFRS 16 'Leases'

Nature of change

IFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet by lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

Impact

The Group has set up a project team which has reviewed all of the Group's leasing arrangements over the last year in light of the new lease accounting rules in IFRS 16. The standard will affect primarily the accounting for the Group's operating leases.

The team performed an impact assessment of IFRS 16 on the Group's contracts and financial information. All active contracts were assessed under the requirements of IFRS 16 to determine whether they had arrangements that contained a lease. Under IAS 17 'Leases' and IFRIC 4 'Determining whether an arrangement contains a lease' contracts were initially assessed on the date of their inception to determine whether or not they should be accounted for under those standards. If, on initial assessment, they didn't meet the requirements of IAS 17 or IFRIC 4, but on reassessment do meet the requirements of IFRS 16, they have been excluded from this assessment by application of paragraph C3(b) of IFRS 16. Management have elected to apply the paragraph C3(b) and therefore paragraph C4 of IFRS 16 as a practical expedient to not apply this standard to all the Group's existing contracts.

As at the reporting date, the Group has non-cancellable operating lease commitments of US$3.2 million, see note 5.2. Of these commitments, approximately US$ 1.1 million relates to low value leases which will be recognised on a straight-line basis as an expense in profit or loss.

For the remaining lease commitments, the Group expects to recognise right-of-use assets of approximately US$1.6 million on 1 January 2019, lease liabilities of US$1.6 million (after adjustments for prepayments and accrued lease payments recognised as at 31 December 2018). Overall net assets will not change, and net current assets will be US$0.3 million lower due to the presentation of a portion of the liability as a current liability.

The Group expects that net profit after tax will decrease by approximately US$0.1 million for 2019 as a result of adopting the new rules. EBITDA used to measure segment results is expected to increase by approximately US$0.5 million, as the operating lease payments were included in EBITDA, but the amortisation of the right-of-use assets and interest on the lease liability are excluded from this measure.

Operating cash flows will increase and financing cash flows decrease by approximately US$0.3 million as repayment of the principal portion of the lease liabilities will be classified as cash flows from financing activities.

The Group has immaterial activities as a lessor and hence the Group does not expect any significant impact on the financial information.

Previous disclosures of operating lease commitments were limited to office premises in Jersey.

Mandatory application date and date of adoption by Group
The Group will apply the standard from its mandatory adoption date of 1 January 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

1.3 Other critical judgements and estimates in applying the entity's accounting policies

The following are the other critical judgements and estimates 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 information.

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

The changes to critical accounting judgements with additional focus in 2018 are disclosed in note 1.1 above. The other critical accounting judgements are as follows:

1.3.1 Litigation

The Group exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation, as well as other contingent liabilities (see note 5.1 to the financial information). Judgement 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 significant 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 Concession Agreement under which Sukari operates, are given in note 5.1 to the financial information. Although it is possible to quantify the effects of the loss of the national fuel subsidy, it is not currently possible to quantify with sufficient precision the impact of any restrictions placed on the terms of the Group's operations under the Concession Agreement.

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 remains 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.

The changes to critical accounting estimates and assumptions are disclosed in note 1.2 above. The other critical estimates and assumptions are as follows:

1.3.2 Ore reserves

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 judgement 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 and that it is uncertain if exploration will result in further targets being delineated as a mineral resource.

1.3.3 Mineral reserve and resource statement

The Group published a mineral reserve and resource statement for the Sukari Gold Mine on 25 February 2019 with an effective date of 30 June 2018. The Group reports its mineral resources and ore reserves in accordance with NI 43-101. The most current statement has used an assumed gold price of US$1,300 per ounce as a basis of preparation. The information on the mineral resources and ore reserves is prepared by qualified persons as defined by the instrument.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves. Assumptions that are valid at the time of estimation may change significantly when new information becomes available.

1.3.4 Recovery of capitalised exploration evaluation and development expenditure

The Group's accounting policy for exploration and evaluation expenditure results in brownfield exploration and evaluation expenditure being capitalised to the balance sheet 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 brownfield exploration and evaluation expenditure being capitalised, a judgement is made that recovery of the expenditure is unlikely or the project is to be abandoned, the relevant capitalised amount will be written off to the income statement.

1.3.5 Going concern

Under guidelines set out by the FRC, the directors of UK listed companies are required to consider whether the going concern basis is the appropriate basis of preparation of financial information.

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 12 months from 25 February 2019. Key assumptions underpinning this forecast include:

- litigation as discussed in note 5.1 to the financial information;
- forecast gold price;
- production volumes; and
- costs and recovery rates.

This financial information for the year ended 31 December 2018 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 this financial information.

1.3.6 Depreciation of capitalised underground mine development costs

Depreciation of capitalised underground mine development costs at the Sukari Gold Mine is based on reserve estimates. Management and directors believe that these estimates are realistic based on current information. Please refer to ore reserves, note 3.1.1(i).

2. How numbers are calculated

2.1 Segment reporting

The Group is engaged in the business of exploration and mining of precious metals, which represents three operating segments, two in the business of exploration and one in mining of precious metals. The board is the Group's chief operating decision-maker within the meaning of IFRS 8 'Operating segments'. Management has determined the operating segments based on the information reviewed by the board for the purposes of allocating resources and assessing performance.

The board considers the business from a geographic perspective and a mining of precious metals versus exploration for precious metals perspective. Geographically, management considers separately the performance in Egypt, Burkina Faso, Côte d'Ivoire and Corporate (which includes Jersey, United Kingdom and Australia). From a mining of precious metals versus exploration for precious metals perspective, management separately considers the Egyptian mining of precious metals from the West African exploration for precious metals in these geographies. The Egyptian mining operations derive its revenue from sale of gold while the West African entities are currently only engaged in precious metal exploration and do not produce any revenue.

The board assesses the performance of the operating segments based on profits and expenditure incurred as well as exploration expenditure in each region. Egypt is the only operating segment mining precious metals and therefore has revenue and cost of sales whilst the remaining operating segments do not. All operating segments are reviewed by the board as presented and are key to the monitoring of ongoing performance and assessing plans of the Company.

Non-current assets other than financial instruments by country

	31 December 2018 US$'000	31 December 2017 Restated(1) US$'000
Egypt	**891,131**	878,508
Burkina Faso	**35,959**	36,094
Côte d'Ivoire	**543**	451
Corporate	**20**	27
	927,653	915,080

(1) Restated due to change in accounting policy, refer to note 1.2.1 for further information

Statement of financial position by operating segment

	31 December 2018 US$'000	**31 December 2018 US$'000**	**31 December 2018 US$'000**	**31 December 2018 US$'000**	**31 December 2018 US$'000**
	Total	**Egypt**	**Burkina Faso**	**Côte d'Ivoire**	**Corporate**
Statement of financial position					
Total assets	**1,347,969**	**1,032,284**	**36,876**	**909**	**277,900**
Total liabilities	**(61,152)**	**(57,843)**	**(477)**	**(85)**	**(2,747)**
Net assets / total equity	**1,286,817**	**974,441**	**36,399**	**824**	**275,153**

	31 December 2017 Restated(1) US$'000	31 December 2017 Restated(1) US$'000	31 December 2017 Restated(1) US$'000	31 December 2017 Restated(1) US$'000	31 December 2017 Restated(1) US$'000
	Total	Egypt	Burkina Faso	Côte d'Ivoire	Corporate
Statement of financial position					
Total assets	1,424,355	1,028,927	37,621	888	356,919
Total liabilities	(72,326)	(68,655)	(787)	(307)	(2,577)
Net assets / total equity	1,352,029	960,272	36,834	581	354,342

(1) Restated due to change in accounting policy, refer to note 1.2.1 for further information

Statement of comprehensive income by operating segment

	31 December 2018 US$'000	**31 December 2018 US$'000**	**31 December 2018 US$'000**	**31 December 2018 US$'000**	**31 December 2018 US$'000**
	Total	**Egypt**	**Burkina Faso**	**Côte d'Ivoire**	**Corporate**
Statement of comprehensive income					
Revenue	**603,248**	**603,248**	—	—	—
Cost of sales	**(406,538)**	**(406,538)**	—	—	—

Gross profit	**196,710**	**196,710**	—	—	—
Other income	**49**	**49**	—	—	—
Finance income	**4,815**	**44**	—	—	**4,771**
Other operating costs	**(27,866)**	**(13,433)**	**(481)**	**(644)**	**(13,308)**
Exploration and evaluation costs	**(21,006)**	—	**(5,223)**	**(15,783)**	—
Profit/(loss) for the year before tax	**152,702**	**183,370**	**(5,704)**	**(16,427)**	**(8,537)**
Tax	**(53)**	**(53)**	—	—	—
Profit/(loss) for the year after tax	**152,649**	**183,317**	**(5,704)**	**(16,427)**	**(8,537)**
Profit/(loss) for the year after tax attributable to:					
– the owners of the parent	**74,845**	**105,513**	**(5,704)**	**(16,427)**	**(8,537)**
– non-controlling interest in SGM	**77,804**	**77,804**	—	—	—

	31 December 2017 Restated(1) US$'000	31 December 2017 Restated(1) US$'000	31 December 2017 Restated(1) US$'000	31 December 2017 Restated(1) US$'000	31 December 2017 Restated(1) US$'000
	Total	Egypt	Burkina Faso	Côte d'Ivoire	Corporate
Statement of comprehensive income					
Revenue	675,510	675,510	—	—	—
Cost of sales	(414,341)	(414,341)	—	—	—
Gross profit	261,169	261,169	—	—	—
Other income	680	23	—	—	657
Finance income	2,729	41	—	—	2,688
Other operating costs	(36,927)	(25,483)	197	96	(11,737)
Exploration and evaluation costs	(20,286)	—	(6,433)	(13,853)	—
Profit/(loss) for the year before tax	207,365	235,750	(6,236)	(13,757)	(8,392)
Tax	(2,063)	(513)	—	—	(1,550)
Profit/(loss) for the year after tax	205,302	235,237	(6,236)	(13,757)	(9,942)
Profit/(loss) for the year after tax attributable to:					
– the owners of the parent	96,356	126,291	(6,236)	(13,757)	(9,942)
– non-controlling interest in SGM	108,946	108,946	—	—	—

(1) Restated due to change in accounting policy, refer to note 1.2.1 for further information

Exploration expenditure by operating segment

The following table provides a breakdown of the total exploration expenditure of the Group by operating segment:

	1 January to 31 December 2018 US$'000	1 January to 31 December 2017 Restated(1) US$'000
Burkina Faso	**5,223**	6,433
Côte d'Ivoire	**15,783**	13,853
Egypt (Sukari tenement including Cleopatra excluding pre-production gold sales adjustment)	**13,635**	10,610
Total exploration expenditure	**34,641**	30,896

Accounting policy: Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors.

2.2 Revenue

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

	31 December 2018 US$'000	31 December 2017 US$'000
Gold sales (including pre-production gold sales related to Cleopatra)	**613,727**	680,513
Less: Pre-production gold sales related to Cleopatra – offset against exploration and evaluation asset	**(11,523)**	(6,170)
Gold sales (excluding pre-production gold sales related to Cleopatra)	**602,204**	674,343
Silver sales	**1,044**	1,167
	603,248	675,510

All gold and silver sales during the year were made to a single customer in North America, Asahi Refining Canada Ltd.

Accounting policy: Revenue (under IFRS 15)

Revenue is measured at the fair value of the consideration received or receivable for goods in the normal course of business.

Sale of goods

Revenue from the sale of mineral production is recognised when the Group has passed control 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.

The performance obligation is satisfied when the gold bars are packaged and delivered to the approved carrier with the appropriate required documentation at the gold room and the approved carrier accepts control of the shipment by signature. 98% of the payable gold and silver content of the refined gold bars will be priced and paid within one working day after receipt of the shipment at the refinery with the balance being priced and paid five working days after receipt. There are no significant judgements applied to the determination of revenue.

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.

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.

Transition from IAS 18 Revenue

The only changes to the new accounting policy under IFRS 15 compared with IAS 18 are

- *the performance obligation under IFRS 15 above; and*
- *control of the items sold under IFRS 15 compared to risk and rewards of ownership being transferred under IAS 18.*

Other than that it is identical to the policy under IAS 18 applied to the comparative data.

2.3 Profit before tax

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

	31 December 2018 US$'000	31 December 2017 US$'000
Finance income		
Interest received	**4,815**	2,729
Expenses		
Cost of sales		
Mine production costs (including costs related to gold produced from Cleopatra)	**(330,924)**	(308,892)
Mine production costs related to gold produced from Cleopatra – offset against exploration and evaluation asset	**2,834**	1,329
Mine production costs	**(328,090)**	(307,563)
Movement in inventory	**31,296**	(2,490)
Depreciation and amortisation	**(109,744)**	(104,288)
	(406,538)	(414,341)

	31 December 2018 US$'000	31 December 2017 US$'000
Other operating costs		
Corporate compliance	**(1,758)**	(1,281)
Fees payable to the external auditor	**(710)**	(656)
Corporate consultants	**(652)**	(338)
Communications and IT	**(328)**	(188)
Salaries and wages	**(7,316)**	(6,202)
Travel, accommodation and entertainment	**(819)**	(731)
Office rents and lease payment	**(148)**	(166)
Other administration expenses	**(482)**	(193)

Insurances	**(305)**	(387)
Other taxes	**(169)**	(3)
Employee equity settled share-based payments	**(3,222)**	(2,535)
Corporate costs (sub-total)	**(15,909)**	(12,680)
Other provisions	**58**	(1,170)
Net movement on provision for stock obsolescence	**1,353**	(2,636)
Office related depreciation	**(301)**	(274)
Royalty – attributable to the ARE government	**(18,396)**	(20,404)
Foreign exchange gain, net	**6,372**	1,470
Finance charges	**(142)**	(341)
Loss on disposal of asset	**(31)**	(263)
Provision for restoration and rehabilitation – unwinding of discount	**(870)**	(629)
	(27,866)	(36,927)

Accounting policy: Other income and foreign currencies

Finance income

Finance 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. Finance 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.

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 information, the results and financial position of each entity are expressed in US dollars, which is the functional currency of most companies in the Group and the presentation currency for the consolidated financial information 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.

2.4 Non-controlling interest in SGM

EMRA is a 50% shareholder in SGM and 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 the Arab Republic of Egypt ("ARE") and recoverable costs'. However, in accordance with the terms of the CA, 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.

Earnings attributable to the non-controlling interest in SGM (i.e. EMRA) are pursuant to the provisions of the CA are recognised as profit attributable to the non-controlling interest in SGM in the attribution of profit section of the statement of comprehensive income of the Group. The profit share payments during the year will be reconciled against SGM's audited financial statements. The SGM financial statements for the year ended 30 June 2018 have not been signed off at the date of this report and are in the process of being audited.

Certain terms of the CA and amounts in the cost recovery model may also vary depending on interpretation and management and the board making various judgements and estimates that can affect the amounts recognised in the financial information.

a) Statement of comprehensive income and statement of financial position impact

	31 December 2018 US$'000	31 December 2017 Restated[(2)] US$'000
Statement of comprehensive income		
Profit for the year after tax attributable to the non-controlling interest in SGM[(1)]	**77,804**	108,946
Statement of financial position		
Total equity attributable to non-controlling interest in SGM[(1)] (opening)	**(1,683)**	1,000
Profit for the year after tax attributable to the non-controlling interest in SGM[(1)]	**77,804**	108,946
Dividend paid – non-controlling interest in SGM	**(76,391)**	(111,629)
Total equity attributable to non-controlling interest in SGM[(1)] (closing)	**(270)**	(1,683)

(1) Profit share commenced during the third quarter of 2016. The first two years was a 60:40 split of net production surplus to PGM and EMRA respectively. From 1 July 2018 this changed to a 55:45 split for the next two-year period until 30 June 2020, after which all net production surpluses will be split 50:50.

(2) Refer to note 1.1.1 for the change in treatment of amounts attributable to the non-controlling interest in SGM (previously EMRA profit share).

Any variation between payments made during the year (which are based on the Company's estimates) and the SGM 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 amount attributable to the non-controlling interest in SGM on the statement of financial position and statement of changes in equity.

b) Cash flow statement impact

	31 December 2018 US$'000	31 December 2017 US$'000
Statement of cash flows		
Dividend paid – non-controlling interest in SGM(1)	**(76,391)**	(111,629)

(1) Profit share commenced during the third quarter of 2016. The first two years was a 60:40 split of net production surplus to PGM and EMRA respectively. From 1 July 2018 this changed to a 55:45 split for the next two-year period until 30 June 2020, after which all net production surpluses will be split 50:50.

EMRA and PGM benefit from advance distributions of profit share which are made on a weekly or fortnightly basis and proportionately in accordance with the terms of the CA. Future distributions will take into account ongoing cash flows, historical costs that are still to be recovered and any future capital expenditure. All profit share payments will be reconciled against SGM's audited June financial statements for current and future periods.

2.5 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 information in the period that such changes occur.

In Egypt, Pharaoh Gold Mines NL 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, other than the fixed royalty attributable to the Egyptian government, rental income on property and interest income on cash and cash equivalents.

Relevance of tax consolidation to the consolidated entity

In Australia, Centamin Egypt Limited and Pharaoh Gold Mines NL, both wholly owned Australian resident entities within the Group, have elected to form a tax-consolidated Group from 1 July 2003 and therefore are treated as a single entity for Australian income tax purposes. The head entity within the tax-consolidated Group is Centamin Egypt Limited. Pharaoh Gold Mines NL, which has a registered Egyptian branch, benefits from the 'branch profits exemption' whereby foreign branch income will generally not be subject to Australian income tax. Ampella Mining Limited is a single entity for Australian income tax purposes.

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 have 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 information in respect of this agreement as payment of any amounts under the tax-sharing agreement is considered remote.

Tax recognised in profit is summarised as follows:

Tax expense

	31 December 2018 US$'000	31 December 2017 US$'000
Current tax		
Current tax expense in respect of the current year	**(53)**	(2,063)
Deferred tax	**—**	—
Total tax expense	**(53)**	(2,063)

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

	31 December 2018 US$'000	31 December 2017 US$'000
Profit for the year before tax	**152,702**	224,094
Tax expense calculated at 0% (2017: 0%)[1] of profit for the year before tax	—	—
Tax effect of amounts which are not deductible/taxable in calculating taxable income:		
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(53)**	(2,063)
Tax	**(53)**	(2,063)

(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 (2017: 0%). There has been no change in the underlying corporate tax rates when compared with the previous financial period.

Tax recognised in the balance sheet is summarised as follows:

	31 December 2018 US$'000	31 December 2017 US$'000
Current tax liabilities	**3**	469
Non-current tax liabilities	**155**	23

Accounting policy: 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 information 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.

2.6 Trade and other receivables

	31 December 2018 US$'000	31 December 2017 US$'000
Non-current		
Other receivables – deposits	**88**	96
	88	96

	31 December 2018	31 December 2017

	US$'000	US$'000
Current		
Gold and silver sales debtors	**28,234**	31,007
Other receivables	**5,209**	3,460
	33,443	34,467

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, Asahi Refining Canada Ltd, and are neither past due nor impaired.

The average age of the receivables is nine days (2017: nine 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 and silver sales debtor is all a receivable from Asahi Refining Canada Ltd. The amount due has been received in full subsequent to year end. Other receivables represent GST and VAT 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, therefore no expected credit loss is recognised within this note, see note 3.1.1 for the risk assessment related to trade receivables.

2.7 Prepayments

	31 December 2018 US$'000	31 December 2017 US$'000
Current		
Prepayments	**5,149**	**7,546**
Fuel prepayments	**1,547**	**2,247**
	6,696	**9,793**

Diesel Fuel Oil ("DFO") dispute

As more fully described in note 5.1 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 through court action. However, management recognises the practical difficulties associated with reclaiming funds from the Egyptian government and for this reason has fully provided against the prepayment of US$327.0 million to 31 December 2018, of which US$49.7 million was provided for during 2018.

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

Movement in fuel prepayments

	31 December 2018 US$'000	31 December 2017 US$'000
Balance at the beginning of the year	**2,247**	877
Fuel prepayment recognised	**49,711**	42,869
Less: provision charged to:		
Mine production costs	**(45,017)**	(39,030)
Property, plant and equipment	**(5,175)**	(2,761)
Inventories	**(219)**	292
Balance at the end of the year	**1,547**	2,247

Cumulative fuel prepayment and provision recognised

	31 December 2018 US$'000	31 December 2017 US$'000
Fuel prepayment recognised	**326,967**	277,255
Less: provision charged to:		
Mine production costs	**(302,047)**	(257,030)
Property, plant and equipment	**(22,055)**	(16,880)
Inventories	**(1,317)**	(1,098)

This has resulted in a net charge of US$49.5 million in the profit and loss for the year.

	31 December 2018			31 December 2017		
	Before adjustment US$'000	**Adjustment US$'000**	**Total US$'000**	Before adjustment US$'000	Adjustment US$'000	Total US$'000
Expenses						
Cost of sales						
Mine production costs	**(283,073)**	**(45,017)**	**(328,090)**	(268,533)	(39,030)	(307,563)
Movement in inventory	**35,821**	**(4,525)**	**31,296**	341	(2,831)	(2,490)
Depreciation and amortisation	**(109,744)**	—	**(109,744)**	(104,288)	—	(104,288)
	(356,996)	**(49,542)**	**(406,538)**	(372,480)	(41,861)	(414,341)

2.8 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 2017	**6,796**	**2,051**	**591,101**	**274,976**	**457,113**	**37,998**	**1,370,035**
Additions	**72**	—	**126**	**9,496**	—	**73,760**	**83,454**
Increase in rehabilitation asset	—	—	—	—	**1,854**	—	**1,854**
Transfers from capital work in progress	**440**	**296**	**13,080**	**25,476**	**48,984**	**(88,276)**	—
Transfers from exploration and evaluation asset	—	—	—	—	**9,678**	—	**9,678**
Disposals	**(1)**	—	**(149)**	**(160)**	—	—	**(310)**
Balance at 31 December 2018	**7,307**	**2,347**	**604,158**	**309,788**	**517,629**	**23,482**	**1,464,711**
Accumulated depreciation							
Balance at 31 December 2017	**(5,890)**	**(548)**	**(156,921)**	**(163,902)**	**(191,675)**	—	**(518,936)**
Depreciation and amortisation	**(495)**	**(147)**	**(28,252)**	**(41,361)**	**(39,792)**	—	**(110,047)**
Disposals	**1**	—	**98**	**160**	—	—	**259**
Balance at 31 December 2018	**(6,384)**	**(695)**	**(185,075)**	**(205,103)**	**(231,467)**	—	**(628,724)**
Cost							
Balance at 31 December 2017	6,052	2,019	584,113	249,491	365,902	75,775	1,283,352
Additions	744	32	7,304	25,485	3,186	40,122	76,873
Increase in rehabilitation asset	—	—	—	—	2,542	—	2,542
Transfers from capital work in progress	—	—	—	—	77,899	(77,899)	—
Transfers from exploration and evaluation asset	—	—	—	—	7,584	—	7,584
Disposals	—	—	(316)	—	—	—	(316)
Balance at 31 December 2017	**6,796**	**2,051**	**591,101**	**274,976**	**457,113**	**37,998**	**1,370,035**
Accumulated depreciation							
Balance at 31 December 2016	(5,400)	(412)	(127,913)	(129,610)	(151,091)	—	(414,426)
Depreciation and amortisation	(490)	(136)	(29,060)	(34,292)	(40,584)	—	(104,562)
Disposals	—	—	52	—	—	—	52

Balance at 31 December 2017	**(5,890)**	**(548)**	**(156,921)**	**(163,902)**	**(191,675)**	**—**	**(518,936)**
Net book value							
As at 31 December 2017	906	1,503	434,180	111,074	265,438	37,998	851,099
As at 31 December 2018	**923**	**1,652**	**419,083**	**104,685**	**286,162**	**23,482**	**835,987**

The production downgrade and corresponding devaluation of the share price of the Company has been considered and it was concluded that this was an impairment indicator. An impairment review has been performed in 2018, refer to note 1.1.2, however no impairment resulted from the review. As no impairment indicators were identified in 2017 an impairment review was not performed in that period.

Assets that have been cost recovered under the terms of the Concession Agreement in Egypt are included on the statement of financial position under property, plant and equipment due to the Company having right of use of these assets. These rights will expire together with the Concession Agreement.

Accounting policy: 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, except for capital work in progress. 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. Depreciation on capital work in progress commences on commissioning of the asset and transfer to the relevant PPE category.

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 other income or operating expenses.

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, net of any pre-production revenues.

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 unit 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' and IFRIC 20 'Stripping costs in the production phase of a surface mine' 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:

- *it is probable that the future economic benefit (improved access to the orebody) associated with the stripping activity will flow to the entity;*
- *the entity can identify the component of the orebody for which access has been improved; and*
- *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 orebody that becomes more accessible as a result of the stripping activity. The stripping activity asset is depreciated using a unit of production method based on the total ounces to be produced over the life of the component of the orebody.

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.

As at 31 December 2018, no stripping costs have been recognised or deferred.

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 they potentially generate 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.

2.9 Trade and other payables

	31 December 2018 US$'000	31 December 2017 US$'000
Trade payables	**23,510**	32,540
Other creditors and accruals	**15,736**	19,045
	39,246	51,585

Trade payables principally comprise the amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 21 days (2017: 29 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.

Accounting policy: 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 at 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.

2.10 Provisions

	31 December 2018 US$'000	31 December 2017 US$'000
Current		
Employee benefits[(1)]	**1,855**	2,510
Fuel	**—**	2,000
Egypt health insurance[(2)]	**805**	—
Other current provisions[(3)]	**5,495**	4,801
	8,155	9,311
Non-current		
Restoration and rehabilitation[(4)]	**13,591**	10,868
Other non-current provisions	**157**	93
	13,748	10,961
Movement in restoration and rehabilitation provision		
Balance at beginning of the year	**10,868**	7,697
Additional provision recognised	**1,854**	2,542
Interest expense – unwinding of discount	**869**	629
Balance at end of the year	**13,591**	10,868

(1) Employee benefits relate to annual, sick and long service leave entitlements and bonuses.

(2) Egypt health insurance relates to law number 2 of 2018 Comprehensive health insurance law that requires 0.25% of revenues and an additional 4% of social insurance contributions to be paid by the Egyptian company effective from 1 July 2018.

(3) Provision held for in-country disputes including customs, rebates and withholding taxes.

(4) 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 decommission infrastructure, restore affected areas by ripping and grading of compacted surfaces to blend with the surroundings, closure of project components to ensure stability and safety at the Group's sites. This has all been discounted by 3.02% (2017: 8.01%) and inflation applied at 2.49% (2017: 6.51%). As part of the annual review of the rehabilitation provision, management have amended the discount and inflation rates used in the calculation of the provision from a blended rate to a USD applicable rate. The reason for the change is the liability is expected to be settled in USD and therefore the discount and inflation rates should align with that expectation. The impact of this change in discount rate and inflation is not material, accordingly it has been recorded in the current year rather than as a prior year restatement. This restoration and rehabilitation estimate has been made on the basis of benchmark assessments of restoration works required following mine closure and after taking into account the projected area to be disturbed to date. The annual review undertaken as at 31 December 2018 after amending the discount and inflation rates to a USD applicable rate has resulted in a US$1.9 million increase in the provision.

Accounting policy: 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.

2.11 Issued capital

	31 December 2018		31 December 2017	
	Number	**US$'000**	Number	US$'000
Fully paid ordinary shares				
Balance at beginning of the period	**1,152,107,984**	**668,732**	1,152,107,984	667,472
Employee share option scheme – Proceeds from shares issued	**2,615,000**	**1,406**	—	—
Transfer from share option reserve	**—**	**451**	—	1,260
Balance at end of the period	**1,154,722,984**	**670,589**	1,152,107,984	668,732

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

At 31 December 2018, the trustee of the deferred bonus share plan held 606,383 ordinary shares (2017: 939,716 ordinary shares) pursuant to the plan rules.

Fully paid ordinary shares carry one vote per share and carry the right to dividends. See note 6.2 for more details of the share options.

Accounting policy: 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 purchase 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.

2.12 Share option reserve

	31 December 2018 US$'000	31 December 2017 US$'000
Share option reserve		
Balance at beginning of the period	**4,323**	3,048
Share-based payments expense	**3,520**	3,156
Transfer to accumulated profits	**(298)**	(621)
Transfer to issued capital	**(1,857)**	(1,260)
Balance at the end of the period	**5,688**	4,323

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.

2.13 Cash flow information

(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 2018 US$'000	31 December 2017 US$'000
Cash and cash equivalents	**282,627**	359,680

Accounting policy: 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.

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

	31 December 2018 US$'000	31 December 2017 Restated US$'000
Profit for the year before tax	**152,702**	207,365
Adjusted for:		
Depreciation/amortisation of property, plant and equipment	**110,047**	104,562
Inventory written off	**451**	198
Inventory obsolescence provision	**(1,804)**	2,636
Foreign exchange (gain)	**(6,373)**	(1,470)
Share-based payments expense	**3,222**	2,535
Finance income	**(4,815)**	(2,729)
Loss on disposal of property, plant and equipment	**31**	263
Changes in working capital during the period:		
Decrease/(increase) in trade and other receivables	**1,023**	(9,596)
(Increase)/decrease in inventories	**(22,959)**	20,736
Decrease/(increase) in prepayments	**3,105**	(2,005)
(Decrease)/increase in trade and other payables	**(12,340)**	7,592
Increase in provisions	**1,501**	8,577
Cash flows generated from operating activities	**223,791**	338,664

(c) Non-cash financing and investing activities

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

3. Group financial risk and capital management

3.1 Group financial risk management

3.1.1 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 the 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 2.11 and 2.12. 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 2018 US$'000	31 December 2017 US$'000
Financial assets		
Cash and cash equivalents	**282,627**	359,680
Trade and other receivables	**33,443**	33,745
Financial assets at fair value through other comprehensive income	**—**	125
	316,070	393,550
Financial liabilities		
Trade and other payables	**39,246**	51,585

(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 and risk 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 pounds, Australian dollars and Egyptian pounds are as follows:

	Great British pound		Australian dollar		Egyptian pound	
	31 December 2018 US$'000	31 December 2017 US$'000	**31 December 2018 US$'000**	31 December 2017 US$'000	**31 December 2018 US$'000**	31 December 2017 US$'000
Financial assets						
Cash and cash equivalents	**1,631**	193	**1,379**	1,493	**1,344**	488
Financial assets at fair value through other comprehensive income	**—**	110	**—**	15	**—**	—
	1,631	303	**1,379**	1,508	**1,344**	488
Financial liabilities						
Trade and other payables	**(833)**	79	**9,699**	4,569	**5,453**	2,259
	(833)	79	**9,699**	4,569	**5,453**	2,259
Net exposure	**2,464**	224	**(8,320)**	(3,061)	**(4,109)**	(1,771)

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 US 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 2018 US$'000	31 December 2017 US$'000	**31 December 2018 US$'000**	31 December 2017 US$'000
US$/GBP increase by 10%	**223**	(18)	—	(10)
US$/GBP decrease by 10%	**(223)**	18	—	10
US$/AUD increase by 10%	**(756)**	(136)	—	(2)
US$/AUD decrease by 10%	**756**	136	—	2
US$/EGP increase by 10%	**(374)**	(44)	—	—
US$/EGP decrease by 10%	**374**	44	—	—

The Group's sensitivity to foreign currency has increased at the end of the current period mainly due to an increase in GBP and EGP foreign currency cash holdings offset by a decrease in AUD foreign currency cash holdings as well as an increase in AUD and EGP trade payables offset by a decrease in GBP trade payables. There is also a corresponding decrease in US dollar cash holdings and trade payables.

The amounts shown above are the main currencies which the Group is exposed to. Centamin also has small deposits in euro (US$404,141) and West African franc (US$245,182), and net payables of US$2,355,781 in euro and US$759,014 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.

(d) Commodity price risk

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

Gold price

The table below summarises the impact of increases/decreases of the average realised gold price on the Group's post-tax profit for the year. The analysis is based on the assumption that the average realised gold price per ounce had increased/decreased by 10% with all other variables held constant.

	Decrease by 10%	**31 December 2018**	Increase by 10%
	US$/oz	**US$/oz**	US$/oz
Average realised gold price	1,140	**1,267**	1,394
	US$'000	**US$'000**	US$'000
Profit after tax	103,130	**152,649**	222,159

Fuel price

Any variation in the fuel price has an impact on the mine production costs. The analysis is based on the assumption that the average fuel price had increased/decreased by a few US cents per litre with all other variables held constant.

	Decrease by 10%	**31 December 2018**	Increase by 10%
	US$/litre	**US$/litre**	US$/litre
Fuel price	0.55	**0.61**	0.67
	US$'000	**US$'000**	US$'000
Profit after tax	161,708	**152,649**	143,588

(e) Interest rate risk and liquidity 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 per the table below.

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 for liquidity risk management rests with the board, which 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 in section (a) to (c) of this note above reflect a balanced view of cash inflows and outflows and show 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's liquidity position including cash flow forecasts to determine the forecast liquidity position and maintain appropriate liquidity levels.

	Weighted average effective interest rate %	Less than one month US$'000	One to twelve months US$'000	Total US$'000
31 December 2018				
Financial assets				
Variable interest rate instruments	**2.13**	**25,654**	**248,296**	**273,950**
Non-interest bearing	—	**41,421**	—	**41,421**
		67,075	**248,296**	**315,371**
Financial liabilities				
Non-interest bearing	—	**39,220**	—	**39,220**
		39,220	—	**39,220**
31 December 2017				
Financial assets				
Variable interest rate instruments	0.52	179,360	175,860	355,220
Non-interest bearing	—	38,330	—	38,330
		217,690	175,860	393,550
Financial liabilities				
Non-interest bearing	—	56,585	—	56,585
		56,585	—	56,585

(f) Credit risk

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

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

(g) Fair value

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

(h) 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).

	2018			
	Level 1 US$'000	**Level 2 US$'000**	**Level 3 US$'000**	**Total US$'000**
Financial assets at fair value through other comprehensive income	—	—	—	—

	2017			
	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Financial assets at fair value through other comprehensive income	125	—	—	125

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

(i) Ore reserves

The following disclosure provides information to help users of the financial information understand the judgements made about the future and other sources of estimation uncertainty. The key sources of estimation uncertainty described in note 1.1.3 above and the range of possible outcomes are described more fully below.

Depreciation of capitalised underground mine development costs

Depreciation of capitalised underground mine development costs at the Sukari Gold Mine is based on reserve estimates. Management and directors believe that these estimates are both realistic and conservative, based on current information. The analysis is based on the assumption that the reserve estimate has increased/decreased by 10% with all other variables held constant.

	Decrease by 10% US$'000	**31 December 2018 US$'000**	Increase by 10% US$'000
Amortisation of rehabilitation asset (within mine development properties)	828	**747**	678
Amortisation of mine development properties (remainder)	42,176	**39,045**	36,496
Mine development properties – net book value	282,950	**286,162**	288,780
Property, plant and equipment – net book value	832,775	**835,987**	838,605

Accounting policy: 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 as defined below.

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.

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.

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 when, and only when, the entity becomes a party to the contractual provisions of the instrument, 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's financial information. 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.

An entity shall derecognise a financial asset when, and only when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset by transferring its rights to the related cash flows.

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.

Loans and receivables

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

Impairment of financial assets

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

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

With the exception of financial assets at fair value through other comprehensive income 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 fair value through other comprehensive income ("FVOCI") 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.

3.2 Capital management

3.2.1 Risk management

The Group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to owners of the parent, return capital to owners of the parent or issue new shares.

3.2.2 Dividends to owners of the parent

	31 December 2018 US$'000	31 December 2017 US$'000
Ordinary shares		
Final dividend for the year ended 31 December 2017 of 10 US cents per share (2016: 13.5 US cents per share)	**115,629**	155,437
Interim dividend for the year ended 31 December 2018 of 2.5 US cents per share (2017: 2.5 US cents per share)	**28,938**	28,952
Total dividends provided for or paid	**144,567**	184,389
Dividends to owners of the parent:		
Paid in cash	**144,567**	184,389

4. Group structure

4.1 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 2018 %**	31 December 2017 %
Centamin Egypt Limited	Australia(2)	**100**	100
Pharaoh Gold Mines NL (holder of an Egyptian branch)	Australia(2)	**100**	100
Sukari Gold Mining Co	Egypt(4)	**50**	50
Centamin West Africa Holdings Limited	UK(3)	**100**	100
Sheba Exploration Limited (holder of an Ethiopia branch)	UK(3)	**100**	100
Sheba Exploration Holdings Limited(1)	UK(3)	**100**	100
Centamin Group Services Limited	Jersey(8)	**100**	100
Centamin Holdings Limited	Jersey(8)	**100**	100
Centamin Limited	Bermuda(7)	**100**	100
Ampella Mining Limited	Australia(2)	**100**	100
Ampella Share Plan Limited (in liquidation due to Group rationalisation)	Australia(2)	**100**	100
Ampella Mining Gold Pty Limited (in liquidation due to Group rationalisation)	Australia(2)	**100**	100
West African Gold Reserve Pty Limited (in liquidation due to Group rationalisation)	Australia(2)	**100**	100
Ampella Mining Gold SARL	Burkina Faso(5)	**100**	100
Ampella Mining SARL	Burkina Faso(5)	**100**	100
Ampella Mining Côte d’Ivoire	Côte d’Ivoire(6)	**100**	100
Centamin Côte d’Ivoire	Côte d’Ivoire(6)	**100**	100
Ampella Mining Exploration CDI	Côte d’Ivoire(6)	**100**	100
Centamin Exploration CI	Côte d’Ivoire(6)	**100**	100
Ampella Resources Burkina Faso	Burkina Faso(5)	**100**	100
Konkera SA	Burkina Faso(5)	**90**	90

(1) Previously Sheba Exploration (UK) plc

(2) Address of all Australian entities: 57 Kishorn Road, Mount Pleasant, WA 6153.

(3) Address of all UK entities: Hill House, 1 Little New Street, London, EC4A 3TR.

(4) Address of all Egypt entities: 361 El-Horreya Road, Sedi Gaber, Alexandria, Egypt.

(5) Address of all Burkina Faso entities: Ampella Resources Burkina Faso: 11 BP 1974 Ouaga 11. Ampella Mining SARL: 01 BP 1621 Ouaga 01. Ampella Mining Gold SARL: 11 BP 1974 CMS 11 Ouaga 11. Konkera SA: 11 BP 1974 Ouaga CM11.

(6) Address of all Côte d’Ivoire entities: 20 BP 945 Abidjan 20.

(7) Address of Bermuda entity: Appleby Corporate Services (Bermuda) Ltd, Canon’s Court, 22 Victoria Street, Hamilton HM EX, Bermuda.

(8) Address of all Jersey entities: 2 Mulcaster Street, St Helier, Jersey JE2 3NJ.

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

In 2005 PGM, together with EMRA, were granted an exploitation lease over 160km^2 surrounding the Sukari Gold Mine 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 are recognised as dividend paid to the non-controlling interest in SGM.

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

- from 1 April 2010, being the date of commercial production, the Sukari Gold Mine is entitled to a 15-year exemption from any taxes imposed by the Egyptian government on the revenues generated from the Sukari Gold Mine. 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 have 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 subcontractors 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.

4.2 Joint arrangements

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

	Percentage interest	
	31 December 2018	31 December 2017
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 information of the Group. There are no capital commitments arising from the Group's interests in this joint operation.

Accounting policy: 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 1.1.1).

4.3 Financial assets at fair value through other comprehensive income

	31 December 2018 US$'000	31 December 2017 US$'000
Balance at the beginning of the period	**125**	130
Gain on foreign exchange movement	**—**	86
Loss on fair value of investment – other comprehensive income	**(125)**	(91)
Balance at the end of the period	**—**	125

The financial assets at fair value through other comprehensive income at period end relates to a 4.45% (2017: 5.33%) equity interest in Nyota Minerals Limited, a former listed public company which delisted in September 2017, as well as a 0.17% (2017: 0.29%) equity interest in KEFI Minerals plc ("KEFI"), an AIM listed company.

Management made the decision to sell its interests in Nyota Minerals Limited and Kefi Minerals plc and the financial asset is classed as a current asset.

Accounting policy: Financial assets at fair value through other comprehensive income ("FVOCI")

Listed shares and listed redeemable notes held by the Group that are traded in an active market are classified as being FVOCI and are stated at fair value. Fair value is determined in the manner described in note 3.1.1. 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 FVOCI equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

The fair value of FVOCI 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.

5. Unrecognised items

5.1 Contingent liabilities and contingent assets

Contingent liabilities

Fuel supply

As set out in note 2.7 above, in January 2012, the Group received a letter from Chevron to the effect that Chevron would only be able to supply DFO (Diesel Fuel Oil) to the mine at Sukari at international prices rather than 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 EGPC. It is further understood that EGPC (Egyptian General Petroleum Corporation) itself issued this instruction because it had received legal advice from the Legal Advice Department of the Council of State (an internal government advisory department) that companies operating in the gold mining sector in Egypt were not entitled to such subsidies. In November 2012, the Group received a further demand from Chevron for the repayment of fuel subsidies received during the period from late 2009 through to January 2012, for EGP403 million (approximately US$22.5 million at current exchange rates).

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

As at the date of this document, no decision had been taken by the courts regarding this matter. The Group has received an unfavourable State Commissioner's report in the case; however, the report is non-binding and the Group's legal advisers remain of the view that the Group has a strong 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 action 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$327.0 million. Refer to note 2.7 of these financial information for further details on the impact of this provision on the Group's results for 31 December 2018.

No provision has been made in respect of the historical subsidies prior to January 2012 as, based on legal advice, the Company believes that, notwithstanding the unfavourable State Commissioner's report, 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 judgement 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 and Centamin's wholly owned subsidiary Pharaoh Gold Mines, and was approved by the People's Assembly as Law 222 of 1994.

In summary that judgement 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 160km2 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 160km2 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 in the first instance.

Upon notification of the judgement 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 was underway.

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

The Company believes this demonstrates the government's commitment to the Group's investment at Sukari and the government's desire to stimulate further investment in the Egyptian mining industry.

The Supreme Administrative Court has stayed the Concession Agreement appeal until the Supreme Constitutional Court has ruled on the validity of Law no. 32 of 2014. Law no. 32 of 2014 restricts the capacity for third parties to challenge contractual agreements 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 ("SCC"). During Q2 2017, the SCC re-referred the case to the state commissioner to prepare a complementary report to an initial report provided by the state commissioner in Q1 2017 which found Law no. 32 to be unconstitutional. The state commissioner's report and complementary report are advisory and non-binding on the SCC. The Company continues to believe that it has a strong legal position and that in the event that the SCC rules that Law no. 32 is invalid, the Group remains confident that its own appeal will be successful on the merits.

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

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

Other contingent assets
There were no other contingent assets at year-end (31 December 2017: nil).

5.2 Commitments
The following is a summary of the Company's outstanding commitments as at 31 December 2018:

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

	31 December 2018 US$'000	31 December 2017 US$'000
No longer than one year	**1,068**	1,058
Longer than one year and not longer than five years	**1,673**	1,656
Longer than five years	**428**	1,472
	3,169	4,185

Accounting policy: 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.

IFRS 16 will be applied from 1 January 2019.

5.3 Dividends per share
The dividends paid in 2018 were US$144,567,233 and are reflected in the consolidated statement of changes in equity for the period (2017: US$184,388,830).

A final dividend in respect of the year ended 31 December 2018 of 3.0 US cents per share, totalling approximately US$34.6 million has been proposed by the board of directors and is subject to shareholder approval at the annual general meeting on 8 April 2019. This financial information does not reflect this dividend payable.

As announced on 9 January 2017, the update to the Company's dividend policy sets a minimum pay-out 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.

5.4 Subsequent events
As referred to in note 5.3, subsequent to the year end, the board proposed a final dividend for 2018 of 3.0 US cents per share. Subject to shareholder approval at the annual general meeting on 8 April 2019, the final dividend will be paid on 13 May 2019 to shareholders on the record date of 23 April 2019.

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

6. Other information

6.1 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 4.1.

Equity interest in associates and jointly controlled arrangements
Details of interests in joint ventures are disclosed in note 4.2.

(b) 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 2018 US$	31 December 2017 US$
Short term employee benefits	**5,731,721**	6,919,135
Post-employment benefits	**7,969**	8,037
Share-based payments	**2,398,039**	2,174,475
	8,137,729	9,101,647

(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 2018 are as follows:

31 December 2018	**Balance at 1 January 2018**	**Granted as remuneration ("DBSP")**	**Granted as remuneration ("PSP")**	**Net other change(1)**	**Balance at 31 December 2018**
J El-Raghy(2)	10,500,000	—	—	—	10,500,000
A Pardey	3,099,268	—	640,000	50,000	3,789,268
R Jerrard	1,295,000	—	510,000	—	1,805,000
G Haslam	102,056	—	—	25,000	127,056
M Arnesen	49,000	—	—	—	49,000
M Bankes	150,000	—	—	40,000	190,000
A Baker	—	—	—	—	—
I Fawzy	—	—	—	—	—
Y El-Raghy	678,753	—	130,000	(45,091)	763,662
M Morcombe	—	150,000	730,000	—	880,000
R Marshall	—	—	—	—	—
N Bailie	166,000	—	150,000	—	316,000
M Smith	702,667	—	230,000	(133,333)	799,334
A Carse	—	—	210,000	6,336	216,336
D Le Masurier	547,000	—	150,000	(121,000)	576,000
H Brown	316,000	—	—	(173,500)	142,500
R Nel	—	—	120,000	—	120,000

(1) "Net other change" relates to the on-market acquisition or disposal of fully paid ordinary shares.

(2) Includes shareholdings attributable to the El-Raghy family.

Since 31 December 2018 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 2017 are as follows:

31 December 2017	Balance at 1 January 2017	Granted as remuneration ("DBSP")	Granted as remuneration ("PSP")	Net other change(1)	Balance at 31 December 2017
J El-Raghy(2)	53,849,372	—	—	(43,349,372)	10,500,000
A Pardey	2,692,601	—	440,000	(33,333)	3,099,268
R Jerrard	875,000	—	420,000	—	1,295,000
T Schultz	30,000	—	—	2,600	32,600
G Haslam	102,056	—	—	—	102,056
M Arnesen	49,000	—	—	—	49,000
M Bankes	150,000	—	—	—	150,000
A Baker	—	—	—	—	—

Y El-Raghy	869,530	—	72,000	(262,777)	678,753
M Morcombe	—	—	—	—	—
N Bailie	—	—	166,000	—	166,000
M Smith	670,000	—	166,000	(133,333)	702,667
A Carse	—	—	—	—	—
D Le Masurier	540,000	—	107,000	(100,000)	547,000
H Brown	460,000	—	56,000	(200,000)	316,000
R Nel	—	—	—	—	—

(1) "Net other change" relates to the on-market acquisition or disposal of fully paid ordinary shares.

(2) Includes shareholdings attributable to 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.

(e) Other transactions with key management personnel

The related party transactions for the year ended 31 December 2018 are summarised below:

- Salaries, superannuation contributions, bonuses, LTIs, consulting and directors' fees paid to directors during the year ended 31 December 2018 amounted to US$3,951,939 (31 December 2017: US$4,001,383).
- Josef El-Raghy is a director and shareholder of El-Raghy Kriewaldt Pty Ltd ("El-Raghy Kriewaldt"). El-Raghy Kriewaldt provided 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 AU$26,100 or US$21,013 (31 December 2017: AU$70,564 or US$54,269), this lease ended in May 2018.

(f) Transactions with the government of Egypt

Royalty costs attributable to the government of Egypt of US$18,396,045 (2017: US$20,404,473) were incurred in 2018. Profit share to EMRA of US$77,803,732 (2017: US$108,946,486) was incurred in 2018.

(g) 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 the consolidated financial information of the Group.

6.2 Contributions to Egypt

(a) 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 (to a maximum value of EGP50 million). In return, SGM facilitates the purchase of refined gold bullion for the CBE from SGM's refiner, Asahi Refining. 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). Fourteen transactions have been entered into at the date of this report, twelve of which in the current year, pursuant to this agreement, and the values related thereto are as follows:

	31 December 2018 US$'000	31 December 2017 US$'000
Gold purchased	**33,821**	5,619
Refining costs	**20**	3
Freight costs	**48**	9
	33,889	5,631

	31 December 2018 Oz.	31 December 2017 Oz.
Gold purchased	**26,621**	4,404

At 31 December 2018 the net receivable in EGP owing from the Central Bank of Egypt is approximately the equivalent of US$40,618.

(b) University grant

During the year, the Group together with Sami El-Raghy and the University of Alexandria Faculty of Science initiated a sponsored scholarship agreement, the Michael Kriewaldt Scholarships to outstanding geology major students to enrol at the postgraduate research program of the geology department of the university for their M.Sc. and/or Ph.D. in mining and mineral resources. EGP10,000,000, EGP7,330,000 by PGM and EGP2,670,000 by Sami El-Raghy, was deposited in a fixed deposit account of which the interest earned will be put towards the cost of the scholarships and will be administered by the University on the conditions set out in the agreement.

6.3 Share-based payments

Performance share plan

The Company's shareholder approved performance share plan ("PSP") 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.

Proposed changes will be put forward at the forthcoming AGM brining the plan rules in line with 'best practice' and expectations of institutional investor. Full details of the proposed changes are set out in the directors' remuneration report and AGM notice.

The awards due to be granted in June 2019 will vest following the passing of three years. Vesting will be subject to the satisfaction of the performance conditions (and for executive directors a full two year post vesting holding period. Awards will vest based upon a blend of three year relative TSR, Cash flow and Production targets , full details of which are set out in the directors' remuneration report. These measures are assessed by reference to current market practice and the remuneration committee will have regard to current market practice when establishing the precise performance conditions for awards.

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 PSP, 2,615,000 awards vested to 13 eligible participants on 4 June 2018, half of which are subject to a two year holding period, based on 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; and
- 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 PSP, 3,749,000 awards remain granted to eligible participants (25 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; and
- 30% of the award shall be assessed by reference to compound growth in gold production.

June 2017 awards

Of the 3,459,000 awards granted on 4 June 2017 under the PSP, 3,115,000 awards remain granted to eligible participants (35 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 Adjusted EBIDTA; and
- 30% of the award shall be assessed by reference to compound growth in gold production.

June 2018 awards

Of the 4,908,000 awards granted on 27 June 2017 under the PSP, 4,714,000 awards remain granted to eligible participants (40 in total) applying the following performance criteria:

- 40% of the award shall be assessed by reference to a target total shareholder return;
- 20% of the award shall be assessed by reference to compound growth in Adjusted EBIDTA; and
- 40% 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 2016 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.

Performance share plan awards granted during the period:

	PSP 2018
Grant date	27 June 2018
Number of instruments	4,908,000
TSR: fair value at grant date GBP(1)	0.54
TSR: fair value at grant date US$(1)	0.71
EBITDA and gold production: fair value at grant date GBP(1)	1.02
EBITDA and gold production: fair value at grant date US$(1)	1.34
Vesting period (years)	3
Expected volatility (%)	42.70
Expected dividend yield (%)	4.82

(1) The vesting of 40% of 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 payments', 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 60% of the awards are subject to 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 GBP:US$ foreign exchange rate on that day.

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 Employee Loan Funded Share Plan ("ELFSP") and to the majority of the beneficiaries of the options granted under the Employee Option Scheme ("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 2018
Grant date	27 June 2018
Number of instruments	150,000
Share price/fair value at grant date Tranche 1 £(1)	1.14
Share price/fair value at grant date Tranche 1 US$(1)	1.50
Share price/fair value at grant date Tranche 2 £(1)	1.08
Share price/fair value at grant date Tranche 2 US$(1)	1.42
Share price/fair value at grant date Tranche 3 £(1)	1.02
Share price/fair value at grant date Tranche 3 US$(1)	1.34
Vesting period Tranche 1 (years)(2)	1
Vesting period Tranche 2 (years)(2)	2
Vesting period Tranche 3 (years)(2)	3
Expected dividend yield Tranche 1 (%)	3.67%
Expected dividend yield Tranche 2 (%)	4.40%
Expected dividend yield Tranche 3 (%)	4.82%

(1) 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 GBP: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.

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

Accounting policy: 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.

Share-based payments

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 above. 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.

6.4 Earnings per share ("EPS") attributable to owners of the parent

	31 December 2018 US cents per share	31 December 2017 US cents per share
Basic earnings per share	**6.497**	8.377
Diluted earnings per share	**6.444**	8.312

Basic earnings per share attributable to owners of the parent

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

	31 December 2018 US$'000	31 December 2017 US$'000
Earnings used in the calculation of basic EPS	**74,845**	96,355

	31 December 2018 Number	31 December 2017 Number
Weighted average number of ordinary shares for the purpose of basic EPS	**1,151,925,674**	1,150,221,295

Diluted earnings per share attributed to owners of the parent

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

	31 December 2018 US$'000	31 December 2017 US$'000
Earnings used in the calculation of diluted EPS[(2)]	**74,845**	96,355

	31 December 2018 Number	31 December 2017 Number
Weighted average number of ordinary shares for the purpose of basic EPS	**1,151,925,674**	1,150,221,295
Shares deemed to be issued for no consideration in respect of employee options	**9,589,301**	8,993,379
Weighted average number of ordinary shares used in the calculation of diluted EPS	**1,161,514,975**	1,159,214,674

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

6.5 Auditors' remuneration

The analysis of the auditors' remuneration is as follows:

	31 December 2018 US$'000	31 December 2017 US$'000
Fees payable to the Company's auditors and their associates for the audit of the Company's annual financial information	**370**	374
Fees payable to the Company's auditors and their associates for other services to the Group		
– the audit of the Company's subsidiaries	**95**	86
– regulatory enquiries	**78**	—
Total audit fees	**543**	460
Non-audit fees:		
Audit related assurance services – interim review	**104**	107
Other assurance services	**9**	52
Risk management and advisory services	**53**	13
Other services	**1**	24
Total non-audit fees	**167**	196

The audit and risk committee and the external auditors have safeguards in place to avoid the possibility that the auditors' 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 auditors 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.

6.6 General information

Centamin plc (the "Company") is a listed public company, incorporated and domiciled 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.

6.7. Summary of significant accounting policies

Basis of preparation

This financial information is 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 ("AUD"). All financial information presented in US dollars has been rounded to the nearest thousand dollars, unless otherwise stated.

The financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") as 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 2018, the Companies (Jersey) Law 1991. The Group has not early adopted any other amendments, standards or interpretations that have been issued but are not yet mandatory.

The consolidated financial information has been prepared on a going concern basis and under the historical cost convention, as modified by financial assets at fair value through other comprehensive income, and financial assets and financial liabilities (including derivative) instruments at fair value through profit and loss.

The consolidated financial information for the year ended 31 December 2018 was approved for issue by the Board of directors of the Company on 25 February 2019. The consolidated financial information is unaudited.

The financial information set out above does not constitute the Group's statutory accounts for the year ended 31 December 2018, but is derived from the Group's full financial accounts, which are in the final stages of being audited. The Group's full financial accounts will be under International Financial Reporting Standards as adopted by the European Union.

Comparative figures

Certain comparative figures have been restated to conform to the financial statement presentation and policies adopted for the current year. The effect on results as previously reported has been illustrated in the relevant notes.

Refer to note 1.1.1 for the change in treatment on amounts distributed to EMRA and note 1.2.1 regarding the change in accounting policy for exploration and evaluation assets for the change to comparative figures.

Principles of consolidation

The consolidated financial information is prepared by combining the financial information 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 information.

The consolidated financial information 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 information, all intercompany balances and transactions, and unrealised profits arising within the consolidated entity, are eliminated in full.

Sukari Gold Mine ("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 1.1 and 4.1) 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 as profit attributable to non-controlling interest in SGM and the statement of financial position as Equity attributable to the non-controlling interest in SGM, 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 dividend paid to non-controlling interest in SGM in the statement of changes in equity of Centamin.

Going concern

This financial information for the year ended 31 December 2018 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 5.1, 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 judgement 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 directors' 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 information.

Accounting policies

Accounting policies are selected and applied in a manner which ensures that the resulting financial information 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.

GLOSSARY

FVOCI
fair value through other comprehensive income
AIF
Annual Information Form
AIFR
all incident frequency rate
AISC
all-in sustaining costs
APMs
alternative performance measures
ARE
Arab Republic of Egypt
assay
qualitative analysis of ore to determine its components
Au
chemical symbol for the element gold
board
the board of directors of the Group
CA
Concession Agreement
CBE
Central Bank of Egypt
CDP
carbon development project
CEO
chief executive officer
CFO
chief financial officer
Code
the 2016 version of the UK Corporate Governance Code published by the FRC
DBSP
deferred bonus share plan
DFO
Diesel Fuel Oil
directors
the directors of the board of Centamin plc
DRR
directors' remuneration report
dump leach
a process used for the recovery of metal ore from typically weathered low-grade ore. Blasted material is laid on a slightly sloping, impervious pad and uniformly leached by the percolation of the leach liquor trickling through the beds by gravity to ponds. The metals are recovered by conventional methods from the solution
E&E
exploration and evaluation
EGPC
The Egyptian General Petroleum Corporation
ELFSP
employee loan funded share plan
EMRA
Egyptian Mineral Resource Authority
EOS
employee option scheme
EPS
earnings per share
ESIA
environmental social impact assessment
FCA
Financial Conduct Authority
feasibility study
extensive technical and financial study to assess the commercial viability of a project
flotation
mineral processing technique used to separate mineral particles in a slurry, by causing them to selectively adhere to a froth and float to the surface
FRC
Financial Reporting Council
FVTPL
financial value through profit or loss
GAIP
gradient array induced polarisation
grade
relative quantity or the percentage of ore mineral or metal content in an orebody
GRI
Global Reporting Initiative
GST
goods and services tax
g/t
gram per metric tonne
HOD
heads of department
IFRS
International Financial Reporting Standards
indicated resource
as defined in the JORC Code, is that part of a mineral resource which has been sampled by drill holes, underground openings or other sampling procedures at locations that are too widely spaced to ensure continuity but close enough to give a reasonable indication of continuity and where geoscientific data is known with a reasonable degree of reliability. An indicated mineral resource will be based on more data and therefore will be more reliable than an inferred resource estimate
inferred resource
as defined in the JORC Code, is that part of a mineral resource for which the tonnage and grade and mineral content can be estimated with a low level of confidence. It is inferred from the geological evidence and has assumed but not verified geological and/or grade continuity. It is based on information gathered through the appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability
JORC
Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and the Minerals Council of Australia
LTI
lost time injury
LTIFR
lost time injury frequency rate
MAR
Market Abuse Regulation
mill
equipment used to grind crushed rocks to the desired size for mineral extraction
mineralisation
process of formation and concentration of elements and their chemical compounds within a mass or body of rock
Moz
million ounces
Mt
million tonnes
MTI
medical treatment injury
MTIFR
medical treatment injury frequency

GLOSSARY

Mtpa
million tonnes per annum
NCI
non-controlling interest
net production surplus or profit share
revenue less payment of the 3% royalty to Arab Republic of Egypt ("ARE") and recoverable costs
Nyota
Nyota Minerals plc
open pit
large scale hard rock surface mine
ore
mineral deposit that can be extracted and marketed profitably
orebody
mining term to define a solid mass of mineralised rock that can be mined profitably under current or immediately foreseeable economic conditions
ore reserve
the economically mineable part of a measured or indicated mineral resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could be reasonably justified. Ore reserves are sub-divided in order of increasing confidence into probable and proven
ounce or oz
troy ounce (= 31.1035 grams)
PGM
Pharaoh Gold Mines NL
PPE
property, plant and equipment
probable
measured and/or indicated mineral resources which are not yet proven, but where technical economic studies show that extraction is justifiable at the time of the determination and under specific economic conditions
PSP
performance share plan (formerly the restricted share plan)
R&R
resources and reserves
ROM
run of mine
RSP
restricted share plan
SEDAR
system for electronic document analysis and retrieval
SGM
Sukari Gold Mine
SID
senior independent non-executive director
TSF
tailings storage facility
TSR
total shareholder return
VAT
value added tax

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.

Qualified person and quality control
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, including but not limited to the mineral reserve and resource estimates, was prepared by and under the supervision of Group Qualified Person(s) and independent Qualified Person(s) as below:

Sukari Gold Mine, Egypt	
• Open Pit Mineral Reserve	Quinton de Klerk of Cube Consulting Pty Ltd
• Underground Mineral Reserve	Adrian Ralph of Cube Consulting Pty Ltd
• Mineral resource (underground)	Mark Zammit of Cube Consulting Pty Ltd
• Mineral resource	Arnold van der Heydyn of H&S Consultants Pty Ltd
Doropo Project, Cote d’Ivoire	Rupert Osborn of H&S Consultants Pty Ltd
ABC Project, Cote d’Ivoire	Rupert Osborn of H&S Consultants Pty Ltd

A “Qualified Person” is as defined by the National Instrument 43-101 of the Canadian Securities Administrators.

The named Qualified Person(s) have verified the data disclosed, including sampling, analytical, and test data underlying the information or opinions contained in this announcement in accordance with standards appropriate to their qualifications. Each Qualified Person consents to the inclusion of the information in this document in the form and context in which it appears.

Investors should be aware that the figures stated are estimates and no assurances can be given that the stated quantities of metal will be produced.

Mineral resource estimates contained in this document are based on available data as at:

Sukari Gold Mine	30 June 2018
Doropo Project	10 December 2018
ABC Project	10 December 2018

Such qualified persons have verified the data disclosed, including sampling, analytical, and test data underlying the information or opinions contained in this announcement in accordance with standards appropriate to their qualifications.

Cautionary note regarding forward-looking statements
There are risks associated with an investment in the shares of Centamin. Recipients of this presentation should review the risk factors and other disclosures regarding Centamin contained in the preliminary prospectus and subsequent annual reports and Management Discussion and Analysis reports of Centamin that have been filed with Canadian securities regulators and are available at www.sedar.com.

This announcement contains “forward-looking information” (or “forward-looking statements”) which may include, but are not limited to, statements with respect to the future financial or operating performance of the Company, its subsidiaries and its projects (including the Sukari Gold Mine), the future price of gold, the estimation of mineral reserves and resources, the realisation of mineral reserve estimates, the timing and amount of estimated future production, revenues, margins, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of construction, costs and timing of future exploration, the timing for delivery of plant and equipment, requirements for additional capital, foreign exchange risk, government regulation of mining and exploration operations, environmental risks, reclamation expenses, title disputes or claims, insurance coverage and the timing and possible outcome of pending litigation and regulatory matters. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “hopes”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

Forward-looking information involves and is subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities and feasibility studies; assumptions in economic evaluations which prove to be inaccurate; fluctuations in the value of the United States dollar and the Canadian dollar relative to each other, to the Australian dollar and to other local currencies in the jurisdictions in which the Company operates; changes in project parameters as plans continue to be refined; future prices of gold and other metals; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes or slow downs and other risks of the mining industry; climatic conditions; political instability, insurrection or war; arbitrary decisions by governmental

FORWARD-LOOKING STATEMENTS

authorities; delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Discovery of archaeological ruins of historical value could lead to uncertain delays in the development of the mine at Sukari.
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 information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking information contained herein is made as of the date of this announcement and the Company disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking information or statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information or statements. Accordingly, readers should not place undue reliance on forward-looking statements.

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