18 May 2020

Centamin plc

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

Audited Annual Results

for the twelve months ended 31 December 2019

FINANCIAL HIGHLIGHTS[1]

FY2019 vs FY2018

- Gross revenues[2] of US$658.1 million for the twelve months ending 31 December 2019, up 7% compared to the prior year
- Costs within annual guidance: cash costs of US$699 per ounce produced[1], up 12%; all-in sustaining costs ("AISC") [1] of US$943 per ounce sold, up 7%
- EBITDA[1] improved 10% to US$284.0 million, at a 43% EBITDA margin[3]
- Profit after tax increased 13% to US$172.9 million
- Basic earnings per share ("EPS") increased 17% to 7.59 US cents
- Operational cash flow improved by 11% to US$249.0 million, after gross capital expenditure of US$97.6 million predominantly invested in the long-term sustainability of the business
- Adjusted Group free cash flow improved by 17% to US$74.3 million, after profit share distribution of US$87.1 million and royalty payments of US$19.7 million to our local partner, the Egyptian government
- Debt-free balance sheet, with no hedging and cash & liquid assets[4] of US$348.9 million, as at 31 December 2019, which has increased further to US$379.2 million[5], as at 31 March 2020[6]
- To give shareholders greater certainty and expedite the dividend timetable, the previously proposed 2019 final dividend of 6 US cents per share was replaced[7] with a 2020 first interim dividend of 6 US cents per share, equating to c.US$69.4 million, and paid on 15 May 2020

Group Financial Summary

	units	**FY 2019**	FY 2018		H2 2019	H1 2019
Gold produced	oz	**480,528**	472,418	*2%*	246,433	234,096
Gold sold	oz	**470,020**	484,322	*(3%)*	245,891	224,129
Cash cost of production [1]	US$'000	**333,037**	289,394	*15%*	173,592	159,445
Unit cash cost of production [1]	US$/oz produced	**699**	624	*12%*	706	692
AISC [1]	US$'000	**439,317**	420,116	*5%*	231,956	207,361
Unit AISC [1]	US$/oz sold	**943**	884	*7%*	946	940
Average realised gold price	US$/oz	**1,399**	1,267	*10%*	1,485	1,305
Gross revenue [2]	US$'000	**658,111**	614,771	*7%*	365,266	292,845
EBITDA [1,3]	US$'000	**283,968**	258,804	*10%*	166,654	117,314
Profit before tax	US$'000	**173,029**	152,702	*13%*	113,402	59,627
Basic EPS	US cents	**7.59**	6.50	*17%*	5.88	1.71
Capital expenditure	US$'000	**97,580**	96,778	*1%*	49,593	47,987
Operating cash flow	US$'000	**249,004**	223,404	*11%*	132,706	116,298
Adjusted free cash flow [1]	US$'000	**74,341**	63,429	*17%*	38,711	35,630

[1] Adjusted EBITDA, Cash cost of production, AISC, Cash and cash equivalents, bullion on hand, gold sales receivables and financial assets at fair value through profit or loss and Adjusted free cash flow are non-GAAP measures, referenced in 2019 Audited Annual Report and Accounts
[2] Gross revenue from gold sales includes US$5.8 million in pre-production gold sales from Cleopatra development ore.
[3] EBITDA margin is EBITDA as a percentage of gross revenue
[4] Cash and cash equivalents, bullion on hand, gold sales receivables and financial assets at fair value through profit or loss
[5] Unaudited, as per Q1 2020 Report, published 21 April 2020. Audited cash and liquid assets of US$348.9 million as at 31 December 2019
[6] Before 2020 first interim dividend distribution of US$69.4 million on 15 May 2020
[7] On 21 April 2020, the Board declared the 2020 first interim dividend to equally replace the proposed 2019 final dividend

GOVERNANCE HIGHLIGHTS

- Substantial Board refreshment delivered in 2019, and thus far in 2020, including:
  - Appointment of Dr Sally Eyre, Dr Catharine Farrow, Marna Cloete and James "Jim" Rutherford as independent Non-Executive Directors in 2019
  - Josef El-Raghy, Chairman, Gordon "Ed" Haslam, Senior Independent Director and Mark Arnesen, Non-Executive Director will not stand for re-election at the upcoming 2020 annual general meeting ("2020 AGM") on 29 June 2020
- Completing a comprehensive handover, Jim Rutherford will become the independent Non-Executive Chairman ("NEC"), effective 29 June 2020, following the 2020 AGM
- Dr Sally Eyre will become the Senior Independent Director, effective 29 June 2020

2020 OUTLOOK

- The impact and potential duration of the COVID-19 pandemic remain uncertain. The Company has taken prudent steps including risk scenario analysis and put in place contingency plans for the business to navigate these difficult times. Centamin is closely monitoring the situation, with an active response framework in place to manage and mitigate future impacts within its control
- Sukari operations have continued to be uninterrupted with sufficient staffing resources and critical supplies in to Q3, during which it is expected global travel restrictions may begin to ease. Should such restrictions be extended well into H2, it is possible that operations may be affected
- Centamin maintains its 2020 full year guidance[8], targeting production between 510,000–540,000 ounces of gold (production weighted 55% to H2), at cash costs between US$630-680 per ounce produced and AISC between US$870-920 per ounce sold. Open pit material is expected to contribute 80% of the full year production driven by higher grade Stage 4 ore. The balance is scheduled to come from the underground, specifically Ptah as infrastructure upgrades are being implemented at Amun
- As a precautionary move to protect the health and wellbeing of the workforce, non-essential capital expenditure has been temporarily deferred, including the Sukari solar plant. This is in order to minimise additional contractors and other non-operating traffic on and off site, while restrictions related to COVID-19 remain in place. As a result, 2020 capital expenditure is expected to be in the range of US$150-US$170 million (previously US$190 million)
- The Sukari life of asset review is ongoing. A series of independent optimisation studies across each section of the mine are underway, with results expected in H2 2020, identifying areas of improvement

Ross Jerrard, CFO, commented on the Company's full year audited results to 31 December 2019:

"2019 was characterised by continued operational improvements at Sukari, a strong financial performance, excellent exploration target generation, significant progress meeting our ESG initiatives and a continued focus on delivering returns to all of our stakeholders. Underlying EBITDA improved 10% on 2018 and profit after tax improved 13%, demonstrating growing margins, assisted by solid cost management and improved grade, delivering costs per ounce produced and sold in the bottom half of the guidance range.

We have made a good start to 2020 with production and costs on track. The global uncertainty around the impact of the COVID-19 pandemic has created significant volatility in the global investment markets, resulting in increased safe-haven investing. Our clean balance sheet, with no debt nor hedging, offers pure exposure to the gold price and our long cash position of c.US$379 million[9][10] underpins the financial strength of the business and self-funds current growth investment.

We continue to maintain focus on cost discipline and achieving greater operational efficiency as the key margin and cash flow drivers. ESG is rooted at the centre of our decision-making framework, including water efficiency and air quality initiatives, improved workplace training and a Board of Directors all focused on accretive growth of Centamin over the coming years."

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

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[8] Centamin is closely monitoring the global COVID-19 pandemic and the Company guidance may be impacted if the workforce, operation or projects are disrupted due to the virus or efforts to slow the spread of the virus.
[9] Unaudited, as per Q1 2020 Report, published 21 April 2020. Audited cash and liquid assets of US$348.9 million as at 31 December 2019
[10] Before 2020 first interim dividend distribution of US$69.4 million on 15 May 2020

CHAIRMAN'S STATEMENT

Josef El-Raghy
Chairman

In the past few months, the world has come together to try to safely navigate the threats presented by the coronavirus ("COVID-19") pandemic. We hope that you and your loved ones are safe and well as we all adapt to living in these unprecedented times.

PEOPLE

Centamin's strategy is to maximise free cash flow generation through responsible mining, delivering long term stakeholder returns. Successful execution of our strategy starts with our people. The Company has undergone a tremendous step-change in leadership, reflected in the strong performance at the end of 2019 and the solid start to 2020. In the past two years, investing in people has been a priority for the Company, including attracting high-calibre individuals and ongoing development of our existing workforce, to further improve our technical expertise.

Though such transformational change has occasionally brought some periods of inconsistency as individuals and ideas bed-into our structure and culture, Centamin is pleased that the workforce recruitment is largely complete and now the emphasis is on embracing innovation and adopting technologies suitable for our business.

Our number one priority is the health, safety and wellbeing of our direct and indirect workforce, followed by our host communities. Whilst we are pleased to report there are no cases of COVID-19 on-site and operations have been largely uninterrupted, there remains much uncertainty around true impacts and duration. Centamin is committed to operating in line with our strict corporate response plans and heightened measures for as long as required to keep our people safe and operations secure.

GOVERNANCE

Centamin has a strong and diverse Board. As the Company positions itself for the next decade of growth, we have delivered against the ambitious Board succession programme announced in 2018, ensuring we have the right composition of individuals. This has been transformational, including seven Board appointments and five Board retirements. In 2019, we were delighted to appoint Dr Sally Eyre (10 April 2019), Dr Catharine Farrow (2 September 2019), Marna Cloete (2 September 2019) and in 2020, James "Jim" Rutherford (effective 1 January 2020) as independent Non-Executive Directors.

Targeted succession remains at the forefront in 2020 and on 6 April 2020 it was a great pleasure to welcome Martin Horgan as your new Chief Executive Officer ("CEO"), concluding a competitive six-month recruitment process. Martin brings not only excellent technical, commercial and financial experience but also strong operational and leadership skills. Combined with his deep knowledge and understanding of gold mining across Africa, I believe that he will make an invaluable contribution to the Company.

At the upcoming 2020 AGM on 29 June, completing their nine-year tenures, Non-Executive Directors Gordon "Ed" Haslam and Mark Arnesen will not stand for re-election. Their devoted service has been of significant value to Centamin and to me personally as there have been many challenges on a corporate and personal level that they have guided me through. Ed brought a wealth of crucial Board experience, making him a truly dependable Deputy Chairman, providing wise counsel and support when required. Mark's vast experience in the resource industry has been invaluable in shaping and mentoring the finance team as we transformed from a small explorer to a sizeable gold producer. He has committed his time and energy well in excess of what is traditionally required of a non-executive director. I sincerely thank them both for their contributions.

Furthermore, I would like to announce that I, Josef El-Raghy, will not be standing for re-election at the 2020 AGM. It has been an honour and pleasure to serve as a Director of your company for the last 18 years. Centamin is well placed for the next phase of growth, and I have all the confidence in Jim Rutherford, who will step into the role of Chairman following the 2020 AGM, to guide this Company to even greater success.

Jim and I have worked closely together during the last few months, completing a comprehensive handover process. Jim comes with over 25 years' experience in investment management, investment banking and a multitude of other capital market skills, along with a deep understanding of the global mining industry. His independent views will provide additional value to the evolved Board.

There were some key Executive changes in 2019. Our longstanding colleague, Andrew Pardey, stepped down as CEO in October. His eleven-year tenure was instrumental in placing Centamin where it is today. Andrew joined us as Sukari General Manager, working under Trevor Schultz in building Egypt's first modern gold mine. Present at the first gold pour, Andrew led his team through growth and expansion to the Tier 1 gold operation it is today. Along his journey he progressed to Chief Operating Officer ("COO") and finally CEO. Thank you, Andrew for all your hard work and dedication.

Following Andrew's retirement, Ross Jerrard, Chief Financial Officer("CFO"), was appointed interim CEO. Ross provided excellent leadership, keeping Centamin focused during challenging circumstances, as we navigated an unsolicited corporate approach and the ongoing global pandemic. Ross' calm and measured management is a valued asset to the Company. Following Martin's appointment, Ross is focused on his role and responsibilities as CFO and Executive Director on the Board.

PRIORITISING STAKEHOLDERS

Collectively we have developed, operated and grown Sukari into a world class operation and a first of its kind in Egypt. This success underpins Centamin's industry leading shareholder returns and is the foundation of local employment, direct financial and infrastructure investment in Egypt, as well as to our developing hubs in Côte d'Ivoire and Burkina Faso.

Our performance in 2019 has seen the Company mature and consolidate its position as one devoted to creating opportunity through gold mining. Gold production was 480,528 ounces, broadly in-line with the lower end of guidance (490,000 ounces). Strong cost management and disciplined capital allocation delivered AISC of US$943 per ounce sold, comfortably within our guidance range. The Group generated strong free cash flow of US$74.3 million, a 17% improvement on 2018.

On 14 January, announced in the Q4 2019 Results, the Board proposed a final 6 US cent per share dividend, bringing the 2019 total dividend to 10 US cents per share which equates to returning US$115.8 million to shareholders of surplus cash. This is an 82% increase on the 2018 total dividend. Our ability to make such strong returns for our shareholders lies in the core strategy of putting our stakeholders first, a strong balance sheet and an effective robust financial strategy.

Given the unprecedented global situation with COVID-19, regulators, governments and public health authorities have issued varying directives which have impacted the timing and structure of 2020AGMs. As such the opportunity for shareholders to approve the proposed 2019 final dividend could not go ahead with the previously announced timetable. After much consideration, and in order to ensure the dividend payment was made to shareholders in May 2020, the Board resolved to declare a 2020 first interim dividend to replace the 2019 final dividend. The 2020 first interim was paid on 15 May 2020, for 6 US cents per share (US$64.9 million), the same quantum as the previously proposed 2019 final dividend and will not be subject to shareholder approval.

Our ability to generate superior returns for our owners and partners is only made possible by the fundamental strength of the relationships with all of our stakeholder groups. On behalf of the Board, I would like to thank the Egyptian Mineral Resource Authority ("EMRA"), not only for their support during 2019, but also for the last 10 years in particular, which with their guidance has seen Egypt placed firmly on the map as a country with immense opportunity to become a leading gold producer. We believe that Sukari is the first of several Tier 1 gold assets which will benefit Egypt for generations to come. In addition to employing and training 2,249 Egyptians, cash flow generated from gold production in 2019 resulted in US$107 million being distributed to Egypt in profit share and royalties.

POSITIONED FOR GROWTH

Given the current volatility in world stock markets, brought on in large part by COVID-19 outbreak, Centamin is well positioned having no debt, unhedged and US$379.2million[11] [12] in cash & liquid assets[13], providing full exposure to the gold price. I have frequently stated a strong balance sheet and stringent cost management as key to sustaining a robust business throughout the cycle. The Company is constantly looking at ways to further identify cost-savings, improve key operating metrics and social improvements to those that work with and around us.

The Board are acutely aware of the quality and opportunity within the Company portfolio of assets, which has attracted the attention of other corporate entities, including the unsolicited approach by Endeavour Mining in late 2019. Your Board is in favour of risk diversification, but as disciplined capital allocators, we believe it is important to be value investors first. As a shareholder myself, I recognise the past two years have been frustrating as our market valuation has at times been impacted by short term performance inconsistencies during a period of change, as well as being in an outperforming gold market. Regardless of short-term performance setbacks we have always adhered to our core principle of paying cash dividends to shareholders bi-annually which we have now done for six consecutive years. The Board is aligned that the best way to generate substantial sustainable returns for shareholders is through long term organic investing and the acquisition of value-accretive assets.

THANK YOU

I would like to take this opportunity to personally thank my Centamin colleagues, friends and family. I am grateful to have worked with you and achieved what we have together. We have demonstrated what a clear plan, passion, and hard work

[11] Unaudited, as per Q1 2020 Report, published 21 April 2020. Audited cash and liquid assets of US$348.9 million as at 31 December 2019
[12] Before 2020 first interim dividend distribution of US$69.4 million on 15 May 2020
[13] Cash cost of production, AISC, EBITDA, Cash, bullion on hand, gold sales receivables, financial assets at fair value through profit and loss (also known as Cash and liquid assets) and Adjusted free cash flow are non-GAAP measures and are defined in the Financial Review non-GAAP measures section.

can achieve. The future opportunities for Centamin, and all its stakeholders, are endless. You have the skills, assets, leadership and I look forward to following and supporting your future successes.

Nothing would have been possible without our stakeholders. Together, our shared vision is only the beginning for Centamin and Egypt's growing presence in the gold industry. Thank you.

CORPORATE GOVERNANCE

Effective corporate governance begins with a strong Board, led by the Chairman, with the appropriate skills and experience to challenge and support the Executive team in delivering the corporate strategy. The Board transformation throughout 2019 reflects the Company's ongoing commitment to achieving the highest standards of corporate governance.

BOARD COMPOSITION[14]

In accordance with the 2018 UK Corporate Governance Code ("2018 Code") and Centamin's ongoing board succession programme, the Company has made the following changes to its Board composition:

- Appointment of Dr Sally Eyre, Marna Cloete and Dr Catharine Farrow as independent Non-Executive Directors in 2019, and in 2020, appointment of Jim Rutherford as independent Deputy Non-Executive Chairman
- On 3 October 2019, Andrew Pardey stepped down as CEO and Executive Director; Ross Jerrard, CFO and Executive Director stepped in as interim CEO
- On 6 April 2020, Martin Horgan was appointed as CEO and Executive Director, following a thorough international search process; Ross Jerrard continued with his responsibilities as CFO
- Josef El-Raghy, Chairman, will not stand for re-election at the upcoming 2020 AGM
- Completing a comprehensive handover, Jim Rutherford will become the independent Non-Executive Chairman ("NEC") from 29 June 2020
- Following a nine-year tenure, Gordon "Ed" Haslam, Senior Independent Director ("SID"), will not stand for re-election at the upcoming 2020 AGM
- Dr Sally Eyre will assume the Senior Independent Director role, effective 29 June 2020
- Following a nine-year tenure, Mark Arnesen, Non-Executive Director, will not stand for re-election at the upcoming 2020 AGM
- An active recruitment process is underway to identify and appoint an independent non-executive director to chair the new Technical Committee which will be mandated from 29 June 2020

Following the 2020 AGM, as at 29 June 2020, there will be eight Board Directors, including six Non-Executive Directors and two Executive Directors. In accordance with the 2018 Code the Board is greater than 50% independent.

COMMITTEE RESTRUCTURING

effective 29 June 2020

As part of the Company's recent Board transformation, a full effectiveness review and refreshment was conducted across the Board committee mandates and composition. The material changes are outlined below:

Health, Safety, Environmental and Social Committee ("HSES") to be evolved into the Sustainability Committee

- The new Sustainability Committee will have focus across the health and safety, environmental, social (including employee engagement) and governance. Aspects of risk associated with the Company's licence to operate will be considered by this committee. A review of the charter and interaction with the Board Audit and Risk Committees and other committees, including a new Technical Committee will be considered in the review.

Technical Committee to be established as a new committee

- The new Technical Committee will support and advise the Board in reviewing technical and operational matters. The committee will help in monitoring decisions and processes designed to ensure the integrity of the Group's reserve and resource estimations. The committee will also be responsible for technical reporting, internal quality control and assurance over the Group's mining assets and exploration, including oversight of the life of asset, production and exploration.
- The recruitment process for a new Non-Executive Director, with technical and operating experience, has been led by the Nomination Committee and is well progressed. An appointment is expected to be announced in Q2 2020 and it is intended they will chair the Technical Committee.

Compliance and Corporate Governance Committee to be discontinued in its current form

- The Compliance and Corporate Governance Committee responsibilities have been reassigned to the Sustainability Committee, the Audit and Risk Committee and the Board.

[14] Disclosures in accordance with LR9.6.11

- The Disclosure Committee will continue in accordance with the Company's Continuous Disclosure policy and will report directly to the Audit and Risk Committee and, where necessary, to the Board.

COMMITTEE ROTATION
effective 29 June 2020

The Board understands the benefits of refreshing its composition, committee structures as well as planning for future succession. The changes to the committee structures illustrate the Company's commitment to continue to evolve and strengthen our governance model in line with the rapidly changing global environment with which we operate. Please see the below planned changes to the Board committee membership, effective 29 June 2020, following the 2020 AGM:

- Dr Sally Eyre will chair the Remuneration Committee and become a member of the Nomination Committee and Technical Committee
- Jim Rutherford will chair the Nomination Committee and become a member of the Remuneration Committee
- Dr Catharine Farrow will chair the new Sustainability Committee and become a member of the Technical Committee and Audit and Risk Committee
- Marna Cloete will chair the Audit and Risk Committee and become a member of the Remuneration Committee and Sustainability Committee
- Dr Ibrahim Fawzy will become a member of the Nomination Committee and Sustainability Committee
- Ongoing succession planning including an active process is underway to appoint an independent Non-Executive Director specifically with technical and operating expertise to Chair the newly established Technical Committee and planned to become a member of the Audit and Risk Committee and Sustainability Committee.
- Mark Bankes will join the Technical Committee and in the short term will remain on the Audit and Risk Committee until the above appointment is made – expected in H1 2020

Current Committee membership[15], as at 18 May 2020

		Audit & Risk	Remuneration	Nomination	Health, Safety, Environmental & Social	Corporate Governance
Edward Haslam	SID	Member	Chair	Chair	Chair	Member
Mark Arnesen	NED	Chair	Member	Member		Member
Mark Bankes	NED	Member		Member		Chair
Marna Cloete	NED	Member				
Dr Sally Eyre	NED		Member			
Dr Ibrahim Fawzy	NED				Member	Member

Planned Committee membership, effective 29 June 2020

At the recommendation of the Nomination Committee, the Centamin Board has approved the following planned Committee membership to take effect following the 2020 AGM:

		Audit & Risk	Remuneration	Nomination	Sustainability	Technical
Jim Rutherford	NEC		Member	Chair		
Dr Sally Eyre	SID		Chair	Member		Member
Mark Bankes	NED	Member[16]		Member		Member
Marna Cloete	NED	Chair	Member		Member	
Dr Catharine Farrow	NED	Member			Chair	Member
Dr Ibrahim Fawzy	NED			Member	Member	
New Technical Director	*NED*	*Member*			*Member*	*Chair*

[15] Jim Rutherford has been attending Committee meetings as part of his Chairman handover, to understand the activities that are undertaken

[16] Mark Bankes to step down from the committee following the appointment of a new technical non-executive director

2019 CEO REVIEW

Ross Jerrard
Interim Chief Executive Officer, Chief Financial Officer and Executive Director

Acting as interim CEO and managing the Company during a transformational time has been an honour and a privilege. It is a great pleasure to welcome Martin Horgan as Centamin's new CEO and I look forward to working with Martin to deliver value to all our stakeholders through the implementation of our consistent and long-term strategy.

GOOD BUSINESS

For the past 25 years Centamin has been building a responsible culture that values and supports environmental, social and governance ("ESG") matters. From ethical code of conduct to decision-making, ESG is critical to the sustainability of our business. The key ESG improvement in 2019 has been effectively communicating this culture, framework and progress. To Centamin ESG is simply, good business. Testament to this, Centamin was recognised by the UK FTSE Series and qualified to be a constituent of the FTSE4Good Index. Our second Sustainability Report will be published on 8 June 2020 and will provide the framework and detail of our commitment to good corporate citizenship.

The safety, health and wellbeing of our workforce and local communities are our top priority every day. We instil a strong safety culture and continue to strive for a zero-harm workplace environment and I was disappointed that our safety record suffered a setback in 2019 with ten Lost Time Injuries ("LTIs") and the tragic loss of a contractor in Côte d'Ivoire due to a swarm of killer bees in February 2019. Lost Time Injury Frequency Rate ("LTIFR") was 0.29 per 200,000 workplace hours in 2019. With each safety incident we learn and adapt our conduct accordingly so as to mitigate it from happening again.

In 2019, there were no major environmental incidents recorded and a 33% reduction in total environmental incidents. Improving on-site water management is an ongoing key focus, including developing and implementing a new Water Management Plan. In 2019 we set the target to exit the year with a 50:50 salt water draw vs recycled circuit water balance. I am pleased to report we beat our target and achieved an average of 76% circuit water recycled throughout the year. Consequently, this meant more tailings water was drawn from the tailings dam, which increased the available capacity of our active tailings storage facility ("TSF1") to the end of 2020. Construction of our second tailings storage facility ("TSF2") is underway and on schedule.

Centamin is committed to leaving a strong legacy for the benefit of our local, regional and national hosts – it is with excitement that we embark on significantly lowering our carbon footprint through increased operational efficiencies as well as the construction of the Sukari hybrid solar power plant. The Stage 1 30MW solar plant is expected to replace 18-20 million litres of diesel consumption per annum through operation during daylight hours. Over time it is expected this capacity will be expanded and, importantly, it will continue to operate for decades to come, delivering sustainable energy beyond the life of mine. The plant electrical upgrades and earth clearing works are underway in preparation for construction of the solar plant, which has been temporarily postponed due to health and safety measures around COVID-19.

2019 PERFORMANCE

Centamin matured as a business in 2019. I am very pleased with the teams' efforts and focus, delivering a near record quarter in Q4 2019. A weaker Q3 2019, due to slower mining rates from a section of the open pit, impacted annual production performance of 480,528 ounces, which was a 2% improvement on 2018. Notwithstanding, all other guidance metrics were delivered within range.

In 2019, we significantly strengthened our operational teams across all of our assets, particularly with senior technical managers. Through our workplace development programmes, 2019 concluded with 57% of Group leadership positions held by nationals, as we look to nurture and promote indigenous talent. I am confident we have the right team, mine plan and culture in place to deliver future performance.

We delivered another strong financial performance in 2019, which further benefited from improved gold prices. Revenues increased by 8% to US$652 million and underlying EBITDA[1] increased 10% to US$284 million with a 43% margin. Profit after tax increased 13% to US$173 million. Operating cash flow increased 11% to US$249 million and Group free cash flow[1], after a 14% increase in profit share paid to EMRA, improved 17% to US$74.3 million.

Through strong cash management and disciplined capital allocation, we have built a stronger financial position, with US$379.2 million[8] in cash and liquids assets[1] at 31 March 2020, after distributing US$570 million to shareholders in cash dividends, and almost US$500 million in profit share and royalty payments to Egypt, to date. Unique amongst our peers, Centamin has never had debt, hedging nor streaming in place, maximising the strength and flexibility of the balance sheet today and offering shareholders pure gold exposure throughout the cycle.

With our disciplined approach to capital allocation and responsibility as custodians of shareholder invested capital, we are proud of our established track record of returning surplus cash to shareholders - as well as investing in both sustaining the business and self-funding investment opportunities. Our commitment to shareholder returns is core to our strategy, as demonstrated with our six-year dividend stream.

INVESTING FOR THE FUTURE

Our strong balance sheet and future cash flow potential enables significant capital to be re-invested in the business for sustainability and future growth, as well as, maintaining industry leading shareholder returns. This year and 2021 will see Centamin invest further in value driven projects, transforming Centamin for the future – including substantial upgrades to the underground, increased brownfield exploration and integrating solar power at Sukari.

In the second half of the year, a series of optimisation studies, across all facets of the mine, commenced, with a focus on long term planning and identifying cost-saving, operational efficiency and improved productivity opportunities. These studies are underway and have already begun to identify potential cost-saving, performance enhancing opportunities and social improvements, including improvements to open pit operations, process plant productivity and on-site camp facilities, which are budgeted for implementation in 2020. We expect the review to be completed during the second half of 2020 and look forward to updating stakeholders on any material developments in due course.

EXPLORATION

During 2019 the discovery of Horus Deeps was made at Sukari, an exciting target which is located 300 metres below the current underground infrastructure of two high-grade shallow dipping structures. Mineralisation was similarly intersected below the Ptah and Amun zones, indicating that the structure extends to both the north and south. A surface step-out drill programme is underway in 2020, at 250 metre spacing which will tie into the current seismic programme, increasing the resource potential and geological understanding across the tenement.

In 2019 we commenced a small-scale regional exploration programme outside the mine gate, though within the larger Sukari tenement. There are several underexplored known deposits, all within trucking distance to our process plant. A 2D geoseismic programme was completed during 2019. Initial data interpretation is very encouraging, identifying multiple potential gold systems and exploration targets for further investigation during 2020 and beyond.

We have over 3,000km^2 of exploration ground across some of West Africa's most prolific producing gold belts. Our combined West African resource has grown to over five million Measured and Indicated ounces, all located within 250 metres from surface. After nine months of drilling, the exploration team increased the Doropo Project resource by greater than 20% and made the significant Kilosegui discovery. We believe this could be the source of significant resource growth and is a priority exploration target for 2020, ahead of progressing feasibility infrastructure conceptual layouts.

OUTLOOK

The world is everchanging and it is important we continue to evolve with it. As people, and as an organisation, globally we find ourselves working together more than ever to navigate the challenges that have and will continue to affect us all with the global spread of COVID-19.

Our purpose and strategy remain clear and consistent – create opportunities for our stakeholders through value-focused gold mining over volume – and starting with 2020, we expect to deliver year-on-year operational, financial, exploration, environmental, social and governance progress, and look forward to communicating these developments to you as the year progresses.

Our near-term focus is on driving margins through value over volume decision making. The forecast for 2020[17] is gold production of 510,000 – 540,000 ounces at an AISC[1] range of US$870 – US$920 per ounce sold. Production is weighted to the second half of the year, due to the open pit mining sequence, with an approximate split of 45:55. The open pit will do most of the heavy lifting in 2020, contributing 80% of the ounces we expect to produce, as we are mining deeper into the pit in Stage 4 and accessing higher grade ore than in previous years, while the underground focus is on infrastructure upgrades to enhance future production.

Centamin has a very active growth pipeline of opportunities. Today we find ourselves in a strong position, looking back and learning from our ten-year production track record, in which to optimally position ourselves to deliver sustainable returns for at least the next 15 years, as underpinned by our current gold reserve and resource. At present, as caretakers and custodians, our immediate focus is to navigate the current risks associated with the COVID-19 pandemic and delivering our strategy in 2020. We will update shareholders with detailed medium-term forecasts for 2021 and beyond later in the year, in conjunction with the completion of the life of asset review.

Sukari is an exceptional asset and as our sole operating mine, currently dominates our asset portfolio. In the near term, the best return on capital comes from our ESG initiatives including the hybrid solar power farm, employee equipment training, and targeted reductions in reagent consumption. Results driven exploration programmes aimed at significant resource growth and target generation across the portfolio and in line with our development criteria drives medium term value accretion.

We continue to look at strategic opportunities that can add value to shareholders. The Board is extremely encouraged by Centamin's Egyptian government partner, EMRA's launch of a gold license bid round for exploration ground across Egypt.

[17] Centamin is closely monitoring the global COVID-19 pandemic and the Company guidance may be impacted if the workforce, operation or projects are disrupted due to the virus or efforts to slow the spread of the virus.

This is the first bid round to be launched under the new tax, rent, and royalty mining code. Whilst in its infancy, we view this to be very positive for the country and believe that Centamin is strategically positioned with an unrivalled operating track record, developed workforce and established supply chain in modern gold mining operations in Egypt.

TODAY

The first quarter of 2020 was a strong start to the year with operational and financial performance delivered ahead of budget. The commitment and response by our workforce to the COVID-19 pandemic has been exceptional, and we would also like to acknowledge the assistance and support of the Egyptian government.

Our top priority is to safeguard the health and wellbeing of our people, while taking necessary action to protect our business. Centamin has and will continue to implement proactive measures to minimise the impact to our people, business, community and wider stakeholders.

We are closely monitoring the development of COVID-19, including the potential impact of any disruption to our supply chain and gold exports. Our workforce, partners' and community safety and well-being remain our very top priorities, and our Board and Leadership team are actively engaged to respond to any developments as quickly as we can. To date there has been no material impact to our operations and there have been no reported cases of COVID-19 on site.

Centamin is a resilient and responsibly run business with zero debt and US$379.2 million in cash and liquid assets[18] [19], as at 31 March 2020. I am confident in our long-term strategy and our ability to respond quickly in this difficult environment. We continue to operate diligently and invest prudently, and I believe Centamin is both well equipped to navigate these challenges and remains well positioned for the future.

[18] Unaudited, as per Q1 2020 Report, published 21 April 2020. Audited cash and liquid assets of US$348.9 million as at 31 December 2019

[19] Before 2020 first interim dividend distribution of US$69.4 million on 15 May 2020

CORONAVIRUS ("COVID-19")

Thus far in 2020, COVID-19 has significantly impacted the world, presenting an unprecedented medical, economic and social challenge. Centamin has been proactive in how it manages and mitigates the impacts within its control. As of 18 May 2020, Centamin has no recorded cases of COVID-19 on-site and has experienced no material disruption to operations, supply chain or gold shipments. The Company has, however, put in place contingency plans to deal with various possible disruption in the coming months.

At the centre of any decision is the health, safety and wellbeing of our employees and communities. We have stringent safety protocols across all sites, including clear operating standards on workplace conduct. In response to COVID-19, early action was taken at Sukari, in line with our Severe Communicable Disease Outbreak Management Plan and in accordance with the advice of governments and health authorities. These include the following actions taken:

- Established social distancing and strict hygiene measures
- Established a robust multi-functional response framework with a clear chain of command
- Proactively engaged with the Egyptian Government, Health Authorities and the City of Marsa Alam
- Ceased non-essential travel
- Extended on-site roster cycles supported by clear fatigue management protocols
- Enabled employees to work from home where possible
- Continue to educate the workforce on the virus (symptoms and preventative measures)
- Ceased non-essential visits and stringent controls in place for essential visitors
- Established multiple mandatory checkpoints (Marsa Alam airport, community centre and mine gate) for possible symptoms and travel history screening for all visitors
- Quarantine requirements for any individuals accessing site with rigid hospital isolation protocols in place for any suspected infected persons
- Ongoing supply chain assessment and reviews to ensure the site can operate for an extended period of time

Safely managing the mobility of our workforce, in line with government and public health advice, has been paramount in mitigating the risk of spreading the virus. Government imposed travel restrictions on the movement of people are expected to ease in the coming months. Until the timing of those changes are fully understood and global mobility stabilises the Company have identified alternative measures for varying scenarios.

Whilst the impact and potential duration of the COVID-19 pandemic remains uncertain, the Company has carried out scenario risk analysis on the Group and the Company believes it is well positioned to continue to manage through these difficult times. As the pandemic progresses we will continue to monitor the global situation - closely within our host countries Egypt, Côte d'Ivoire, Burkina Faso, Jersey and the United Kingdom - adapting our policies, procedures and controls to minimise the impacts that are within our control.

A COVID-19 Executive Committee has been established to provide oversight during the pandemic, supported by multifunctional teams and a framework led by Risk and Operations. At a minimum, the Board are updated weekly, the Executive Committee meets three times a week and the support team meet daily, providing workforce updates and supply chain assessment.

Supply Chain

We are supportive of the action being taken by governments globally to address the threat of COVID-19. As with many countries globally, Egypt has temporarily closed the national borders to commercial air travel until further notice. The ports and air freight borders remain open for importing and exporting goods. Understandably, supply chain logistics have been impacted by the global government imposed travel restrictions on the movement of goods. Increased logistical planning and flexibility has been crucial in mitigating these impacts.

The domestic supply chain has not been materially impacted, allowing for transportation of domestic goods in compliance with State curfews. International essential supplies are sufficiently stocked in to Q3 2020. As a precautionary measure, successful efforts have been made to further identify and, or increase the stores of essential supplies. However, if travel restrictions are extended into H2 and/or critical supply disruptions arise, operations could be affected.

Daily supply chain assessment is conducted, monitoring stock and usage levels, maintaining a risk schedule of our current and prospective suppliers, and supported by continuous open dialogue with our key international and domestic suppliers. Where a potential risk to a supplier has been flagged, and with all essential supplies, precautionary measures have been taken to identify alternative potential supply channels.

Gold Sales

There have been no material disruptions related to gold shipments to our longstanding refiner, Asahi Refining Canada. Regular dialogue is maintained with both Asahi and Brinks, our security company whom take responsibility for the gold at the mine gate.

Comprehensive scenario assessment continues, with precautionary measures in place, including utilising alternative refiners, Brinks stockpiling gold shipments and Centamin stockpiling gold produced. Each scenario involves variable short-term but limited cost implications.

Further information on COVID-19 was provided in our Q1 2020 Report published on 21 April 2020. We have also ensured that where relevant in the document we have referred to the potential impact of COVID-19, which is recognised as a new and emerging risk.

2019 FINANCIAL REVIEW

Centamin is a financially robust, highly cash generative business, committed to responsible mining and balanced stakeholder returns. This is reflected in the Group's financial results for the year ended 31 December 2019.

Strong focus on operational improvement driving positive financial performance – Q4 2019 production figures represent one of the strongest quarterly results from Sukari.

Gross revenues[20] improved by 7% to US$658.1 million, from annual gold sales of 470,020 ounces, down 3%, at an average realised price of US$1,399 per ounce, up 10% year-on-year. A total of 19,410 ounces of unsold gold bullion was held on-site at year-end, due to timing of gold shipments. This has been realised and reflected in the first quarter 2020 gold sold numbers, as released on 21 April 2020.

STRINGENT COST CONTROL

Our business model is focussed on value over volume, through improving operational and cost efficiencies. Whilst the average realised gold price on sales was improved 10% year-on-year, our AISC margin improved 19% to US$456/oz sold.

Annual costs were comfortably within annual guidance. Optimisation studies underway throughout the respective sections of the mine have identified numerous potential costs saving and performance initiatives, with some beginning to bear fruit in the fourth quarter.

Cash costs of production[21] [21] was US$699 per ounce produced, up 12%, reflecting a 1% increase in mined and 2% increase in processed tonnes, offset predominantly by a 3% increase in gold ounces produced (excluding Cleopatra). AISC[22] was US$943 per ounce sold, up 7%, mainly due to a 2% decrease in gold ounces sold (excluding Cleopatra), increased production costs offset by lower sustaining capital costs.

GROWING FREE CASH FLOW GENERATION

Centamin's cash flows and earnings showed further growth in 2019.

Operational cash flow improved by 11% to US$249.0 million, after gross capital expenditure of US$97.6 million predominantly invested in the long-term sustainability of the business. Adjusted Group free cash flow[23] improved by 17% to US$74.3 million, after profit share distribution of US$87.1 million to our partner, the Egyptian state. Group underlying EBITDA improved by 10% to US$284.0 million, at a 43% EBITDA margin[24] .

Profit after tax increased by 13% to US$172.9 million, offering competitive profit margins, due to:

- an 8% increase in revenue;
- an 8% increase in cost of sales;
- a 13% increase in other operating costs; offset by
- an increase in gains on financial assets at fair value through profit or loss;
- a 9% decrease in other income; and
- a 20% decrease in exploration and evaluation expenditure.

Basic earnings per share ("EPS") increased by 17% to 7.59 US cents.

STRONG, FLEXIBLE BALANCE SHEET

Centamin continues to maintain a robust financial strategy, with cash and liquid assets of US$348.9 million as at 31 December 2019. As the Company cautiously navigates the unprecedented circumstance due to the COVID-19 outbreak, we have further strengthened the balance sheet to US$379.2 million in cash and liquid assets, as at 31 March 2020[25] [26], reflecting the profitability of the business.

This strong financial discipline provides the flexibility to drive self-funded long term organic growth and pursue strategic inorganic opportunities that meet our corporate strategy and investment criteria.

The Company liquidity and strength of the balance sheet, with no debt, hedging or streaming in place, is fundamental to the longevity of the business and seriously considered when assessing capital allocation. Centamin has an active growth

[20] Gross revenue from gold sales includes US$5.8 million in pre-production gold sales from Cleopatra development ore.
[21] Basic EPS, Adjusted EBITDA, cash costs of production and AISC reflect a provision against prepayments following the removal of fuel subsidies in January 2012 (refer to note 2.8 of the financial statements for further details).
[22] Cash costs of production, AISC, Adjusted EBITDA, Cash, bullion on hand, gold and silver sales debtor, financial assets at fair value through profit and loss (also known as Cash and liquid assets) and Adjusted free cash flow are Non-GAAP Financial Measures as defined at the end of the Financial Review section.
[23] Adjustments made to free cash flow, for example acquisitions or disposals of financial assets at fair value through profit and loss, which are completed through or add to specific allocated available cash reserves.
[24] EBITDA margin is EBITDA as a percentage of gross revenue.
[25] Unaudited, as per Q1 2020 Report, published 21 April 2020. Audited cash and liquid assets of US$348.9 million as at 31 December 2019
[26] Before 2020 first interim dividend distribution of US$69.4 million on 15 May 2020

pipeline through results-driven exploration. These self-funded projects are ranked based on results against our development criteria and prospective returns, before capital is allocated.

INCREASED SHAREHOLDER DIVIDEND

Maintaining a sustainable dividend policy is central to our strategy. We have a six year track record of returning surplus cash to shareholders, based on our policy linked to free cash flow generation.

Reflecting improved operating performance, and in line with the dividend policy, on 15 January 2020, the Board proposed a 2019 final dividend, for the year ended 31 December 2019, of 6.0 US cents per share (c.US$69.4 million), bringing the proposed total dividend for 2019 to 10.0 US cents per share (c.US$115.8 million), an 82% increase year-on-year or equivalent to distributing US$241 per ounce produced in 2019.

This 2019 final dividend was subject to shareholder approval at the 2020 AGM. Due to government, regulator and public health guidance around COVID-19, the timing and structure of the 2020 AGM became uncertain. After much consideration the Board resolved to declare a 2020 first interim dividend of 6 US cents per share to exactly replace the proposed 2019 final dividend, in which to provide shareholders with greater certainty and expedite payment, which was paid on the 15 May 2020. The details of the 2020 first interim dividend can be found on the Company's website: www.centamin.com and within the Q1 2020 Report, published 21 April 2020.

The cumulative shareholder returns by way of cash dividends since 2014 is c.US$570 million.

CAPITAL ALLOCATION

Capital allocation continues to be disciplined and closely qualified against value creation. The Company continues to exercise a balanced approach to responsibly maximising operating cash flow generation, reinvesting for future growth and prioritising sustainable shareholder returns.

In 2019 the focus was on improving operational efficiencies to achieve consistent operational performance over growth, and the capital investment was largely sustainable capital expenditure (US$85 million) and results driven exploration (US$33 million).

OUTLOOK

Centamin's financial strategy remains consistent – maintain financial flexibility by maximising free cash flow generation through stringent cost management and disciplined capital allocation. Shareholder returns are prioritised. In line with the dividend policy, a minimum of 30% of free cash flow is allocated to shareholders.

As part of the 2020 budget, US$50 million was identified for removal from the cost base through specific initiatives ranging from training and equipment optimisation, improvements in the supply chain and contractor management. Since the outbreak of COVID-19 the priority is the safety of the workforce and security of the operations. Whilst the Company forecasts potential additional costs and cash outflow associated with COVID-19, including a build-up in working capital through increasing stockpiles and consumables, temporarily increased payroll costs and support costs resulting from logistics planning with government curfews, we do not expect them to affect 2020 guidance.

For the years 2020 and 2021, there is a stronger focus on growth capital investment in the business, in particular at Sukari. Growth projects include construction of the hybrid solar plant, reducing the reliance on fossil fuels and improving operating costs, construction of TSF2 to extend the tailings storage capacity beyond 2030, substantial infrastructure upgrades within the underground, supporting current operations and preparing for future mining at depth, and camp and workplace facility upgrades, improving the wellbeing and standard of living on site.

As a precautionary move to protect the health and wellbeing of the workforce, non-essential capital expenditure has been temporarily deferred, including the construction of the Sukari solar plant. This is in order to minimise contractors and other non-operating traffic on and off site, while restrictions related to COVID-19 remain in place. As a result, 2020 capital expenditure is expected to be in the range of US$150-US$170 million (previously US$190 million).

The impact and potential duration of the COVID-19 pandemic remains uncertain. The Company has undertaken risk analysis scenarios and has put in place contingency plans for the business and believes it has taken prudent steps to continue to navigate these difficult times. Centamin is closely monitoring the situation, with an active response framework in place to manage and mitigate future impacts within its control.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December 2019 US$'000	Year ended 31 December 2018 US$'000
Revenue	**652,344**	603,248

Revenue from gold and silver sales for the period increased by 8% YoY to US$652.3 million (2018: US$603.2 million), with a 10% increase in the average realised gold sales price to US$1,399 per ounce (2018: US$1,267 per ounce) offset by a 2% decrease in gold sold to 465,687 ounces net of Cleopatra (2018: 475,362 ounces net of Cleopatra).

	Year ended 31 December 2019 US$'000	Year ended 31 December 2018 US$'000
Cost of sales	**(439,285)**	(406,538)

Cost of sales represents the cost of mining, processing, refining, transport, site administration, depreciation, amortisation and movement in production inventories. Cost of sales is inclusive of US$28.0 million expensed as fuel pre-payments (refer to Note 2.8 of the financial statements for further information) and is up 8% YoY to US$439.3 million, mainly as a result of:

- 7% increase in total mine production costs from US$328.1 million to US$351.7 million, due to a 7% increase in open pit mining costs, a 25% increase in underground mining costs, a 4% increase in processing costs and a 18% increase in finance and administration costs offset by a 6% decrease in refinery and transport costs;
- 6% increase in depreciation and amortisation charges YoY from US$109.7 million to US$115.8 million due to higher production affecting amortisation rates and US$79.9 million increase in the cost of Property, plant and equipment (excl. capital work in progress) which increased the associated amortisation charges; and
- A positive movement in inventory adjustment of US$28.3 million compared to positive movement in inventory adjustment of US$31.3 million in 2018 reflecting the movement in mining inventory over the year.

	Year ended 31 December 2019 US$'000	Year ended 31 December 2018 US$'000
Other operating costs	**(38,709)**	(34,238)

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 losses and the 3% production royalty payable to the ARE. Other operating costs increased by US$4.5 million or 13% from US$34.2 million in 2018 to US$38.7 million in 2019, mainly as a result of:

- US$3.0 million increase in corporate costs (+ve) mainly due to advisor fees related to the Endeavour takeover bid;
- US$1.3 million increase in royalty paid to the government of the ARE (in line with the increase in gold sales revenue) (+ve);
- US$0.2 million increase in other expenses (+ve).

	Year ended 31 December 2019 US$'000	Year ended 31 December 2018 US$'000
Exploration and evaluation expenditure	**(16,883)**	(21,006)

Exploration and evaluation expenditure comprise expenditure incurred for exploration activities in Côte d'Ivoire and Burkina Faso. Exploration and evaluation costs decreased by US$4.1 million or 20% from US$21.0 million in 2018 to US$16.9 million in 2019 due to reduced spending in both jurisdictions.

	Year ended 31 December 2019 US$'000	Year ended 31 December 2018 US$'000
Finance income	**5,817**	4,815

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.

	Year ended 31 December 2019 US$'000	Year ended 31 December 2018 US$'000
Profit for the year before tax	**173,029**	152,702

As a result of the factors outlined above, Centamin recorded a profit before tax for the year ended 31 December 2019 of US$173.0 million (2018: US$152.7 million).

	Year ended 31 December 2019 US$'000	Year ended 31 December 2018 US$'000
Tax	**(112)**	(53)

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 expense of US$0.1 million for 2019 was associated with timings in income taxes provisions and charges.

	Year ended 31 December 2019 US$'000	Year ended 31 December 2018 US$'000
Dividend paid – non-controlling interest in SGM	**(87,075)**	(76,391)

During 2019, US$87.1 million was paid (2018: US$76.4 million) 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 a 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 2019 financial statements are currently being audited.

	Year ended 31 December 2019 US cents per share	Year ended 31 December 2018 US cents per share
Earnings per share attributable to owners of the parent:		
Basic (US cents per share)	**7.588**	6.497

Basic earnings per share attributable to owners of the parent of 7.59 US cents for 2019 increased when compared with 2018 of 6.50 US cents. The increase was driven by the factors outlined above.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Centamin has a strong and flexible financial position with no debt, no hedging and cash, bullion on hand, gold and silver sales debtor and financial assets at fair value through profit or loss of US$348.9 million at 31 December 2019 (31 December 2018: US$322.3 million).

	31 December 2019 US$'000	31 December 2018 US$'000
Cash and cash equivalents (note 2.16(a))	**278,229**	282,627
Bullion on hand (valued at the year end spot price)	**29,562**	11,431
Gold and silver sales debtor (note 2.7)	**34,695**	28,234
Financial assets at fair value through profit or loss (note 2.6)	**6,454**	—
Cash and cash equivalents, bullion on hand, gold and silver sales debtor and financial assets at fair value through profit or loss	**348,940**	322,292

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

	31 December 2019 US$'000	31 December 2018 US$'000
Current assets		
Inventories	**108,957**	97,550
Financial assets at fair value through profit or loss	**6,454**	—
Trade and other receivables	**47,061**	33,443
Prepayments	**6,132**	6,696
Cash and cash equivalents	**278,229**	282,627
Total current assets	**446,833**	420,316

Current assets have increased by US$26.5 million or 6% from US$420.3 million at 31 December 2018 to US$446.8 million at 31 December 2019 as a result of:

- US$11.4 million increase (+ve) in inventory driven by:
  - US$1.9 million increase in stores inventory (+ve);
  - US$8.0 million increase in mining inventory (+ve); and
  - US$1.5 million decrease in the provision for obsolete stores inventory (+ve).
- US$6.5 million increase in the financial assets at fair value through profit or loss which relates to an equity interest in a listed public company (+ve);
- US$13.6 million increase in trade and other receivables (including gold and silver sales debtor) (+ve);
- US$0.6 million decrease in prepayments (-ve); and
- US$4.4 million decrease in net cash (net of foreign exchange movements) (-ve) driven by the profit for the period less the payment of the 2018 final dividend of US$34.7 million, 2019 interim dividend of US$46.4 million and a US$87.1 million payment to EMRA as distributions to the NCI.

	31 December 2019 US$'000	31 December 2018 US$'000
Non−current assets		
Property, plant and equipment	**804,717**	835,987
Exploration and evaluation asset	**68,138**	59,154
Inventories – mining stockpiles	**52,658**	32,424
Other receivables	**93**	88
Total non−current assets	**925,606**	927,653

Non−current assets have decreased by US$2.1 million or 0.2% from US$927.7 million at 31 December 2018 to US$925.6 million at 31 December 2019, as a result of:

- US$84.9 million increase in the cost of property, plant and equipment (+ve);
- US$116.2 million charge for depreciation and amortisation (-ve);
- US$9.0 million increase in exploration and evaluation assets, as a result of the drilling programmes in Sukari Hill (+ve); and
- US$20.2 million increase in inventory related to mine ROM stockpiles (+ve).

	31 December 2019 US$'000	31 December 2018 US$'000
Current liabilities		
Trade and other payables	**57,411**	39,246
Tax liabilities	**227**	3
Provisions	**8,589**	8,155
Total current liabilities	**66,227**	47,404

Current liabilities have increased by US$18.8 million or 40% from US$47.4 million at 31 December 2018 to US$66.2 million at 31 December 2019, as a result of:

- US$3.8 million increase in trade payables (+ve);
- US$14.4 million increase in accruals (+ve) mainly at a corporate level related to advisor fees regarding the Endeavour bid;
- US$0.2 million increase in tax provisions (+ve); and
- US$0.4 million increase in current provisions (+ve).

	31 December 2019 US$'000	31 December 2018 US$'000
Non−current liabilities		
Provisions	**14,575**	13,748
Total non−current liabilities	**14,575**	13,748

Non−current liabilities have increased by US$0.9 million from US$13.7 million at 31 December 2018 to US$14.6 million at 31 December 2019, as a result of an increase in the rehabilitation provision.

	31 December 2019 US$'000	31 December 2018 US$'000
Equity		
Issued capital	**672,105**	670,589
Share option reserve	**4,179**	5,688
Accumulated profits	**615,353**	610,540
Total equity	**1,291,637**	1,286,817

There has been a 1,232,400 increase in the number of issued shares over the period due to share-based payment awards vesting.

Share option reserves reported have decreased by US$1.5 million to US$4.2 million as result of:

- US$1.7 million due to the reversal of a 2016 RSP awards that didn't meet the vesting conditions (-ve);
- US$1.3 million due to the vesting of the remaining 2016 RSP awards on 4 June 2019 (-ve);
- US$1.0 million due to forfeiture of share-based payment awards on resignation (-ve); offset by
- US$2.5 million for the recognition of the share−based payment expenses for the year and new share-based payment awards granted in 2019 (+ve).

Accumulated profits increased by US$4.8 million from US$610.5 million at 31 December 2018 to US$615.4 million at 31 December 2019, as a result of:

- US$173.0 million profit for the year after tax (+ve); offset by
- US$87.1 million profit share paid to EMRA in the year (-ve); and
- US$34.7 million 2018 shareholder approved final dividend and US$46.4 million 2019 interim dividend paid (-ve).

CONSOLIDATED STATEMENT OF CASH FLOWS

	31 December 2019 US$'000	31 December 2018 US$'000
Cash flows from operating activities		
Cash generated from operating activities	**249,048**	223,791
Income tax refund received	**170**	—
Income tax paid	**(214)**	(387)
Net cash generated by operating activities	**249,004**	223,404

Net cash flows generated by operating activities comprise receipts from gold and silver sales and interest income, offset by operating and corporate administration costs.

	31 December 2019 US$'000	31 December 2018 US$'000
Cash flows from investing activities		
Acquisition of financial assets at fair value through profit or loss	**(9,364)**	—
Disposal of financial assets at fair value through profit or loss	**6,799**	—
Acquisition of property, plant and equipment	**(81,207)**	(83,454)
Brownfield exploration and evaluation expenditure	**(12,198)**	(4,946)
Finance income	**5,817**	4,815
Net cash used in investing activities	**(90,153)**	(83,585)

Net cash flows used in investing activities comprise exploration expenditure and capital development expenditures including the acquisition of financial assets. The primary use of the funds in the period was for purchase and disposal of an equity interest in a listed public company, purchase of property, plant and equipment and investment in underground development at the Sukari site in Egypt.

	31 December 2019 US$'000	31 December 2018 US$'000
Cash flows from financing activities		
Dividend paid – non-controlling interest in SGM	**(87,075)**	(76,391)
Dividend paid – owners of the parent	**(81,029)**	(144,567)
Net cash used in financing activities	**(168,104)**	(220,958)

Net cash flows used in financing activities comprise dividend payments to the non-controlling interest in SGM, being EMRA and dividend payments to the owners of the parent, being shareholders of the Group.

	31 December 2019 US$'000	31 December 2018 US$'000
Effect of foreign exchange rate changes	**4,855**	4,086

Effects of exchange rate changes are 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:

	Year ended 31 December 2019 US$'000	Year ended 31 December 2018 US$'000
Underground exploration	**7,769**	6,048
Underground mine development	**36,852**	37,161
Other sustaining capital expenditure	**40,471**	45,982
Total sustaining capital expenditure	**85,092**	89,191
Non-sustaining exploration expenditure (1)	**8,709**	7,587
Other non-sustaining capital expenditure	**3,779**	—

(1) Includes US$7.8 million of Sukari expenditure relating to Cleopatra in non-sustaining capital expenditure before the offset of net pre-production gold sales.

Cumulative exploration expenditure capitalised for Cleopatra at Sukari is US$23.0 million (project to date) offset by pre-production net revenues of US$17.8 million (refer to notes 2.2 and 2.3 to the financial statements for further details) resulting in US$5.2 million remaining on the statement of financial position at 31 December 2019.

Exploration expenditure

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

	Year ended 31 December 2019 US$'000	Year ended 31 December 2018 US$'000
Greenfield exploration		
Burkina Faso	**2,715**	5,223
Côte d'Ivoire	**14,168**	15,783
Total greenfield exploration expenditure	**16,883**	21,006
Brownfield exploration		
Sukari Tenement	**8,685**	6,048
Cleopatra(1)	**7,793**	7,587
Total brownfield exploration expenditure	**16,478**	13,635
Total exploration expenditure	**33,361**	34,641

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

Exploration and evaluation assets – impairment considerations

In consideration of the requirements of IFRS 6 an impairment test has been performed. On review, no impairment was required.

	Year ended 31 December 2019 US$'000	Year ended 31 December 2018 US$'000
Foreign exchange gain, net	**5,806**	6,372

Foreign exchange gains have decreased from a US$6.4 million gain to a US$5.8 million gain, resulting in a US$0.6 million decrease on 2018.

Subsequent events

As referred to in note 5.2, subsequent to the year end, the Board have resolved to declare a 2020 first interim dividend to replace the 2019 final dividend. The 2020 first interim dividend is for 6 US cents per share (US$64.9 million), the same quantum as the previously proposed 2019 final dividend (announced on 14 January 2020), and will not be subject to shareholder approval, the first interim dividend was paid on 15 May 2020 to shareholders.

The outbreak of the coronavirus COVID-19 will likely have an impact on the Group as well as on supply chain and production. Considering that the spread of the virus accelerated during the first quarter of 2020 and its impact as at 31 December 2019 was minimal, this event was classified as a non-adjusting event for accounting purposes. Given the uncertainties on scope and length as well as the ongoing developments, the Group cannot give any accurate or reliable estimates on potential quantitative impacts currently. This may result in an overall challenged and volatile market environment. The assessment on the ability of the Group to operate as going concern is disclosed under note 1.3.7.

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

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 considers EBITDA 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 EBITDA to profit for the period before tax.

Reconciliation of profit before tax to EBITDA and adjusted EBITDA:

	31 December 2019(1) US$'000	31 December 2018(1) US$'000
Profit for the year before tax	**173,029**	152,702
Finance income	**(5,817)**	(4,815)
Interest expense	**569**	870
Depreciation and amortisation	**116,187**	110,047
EBITDA	**283,968**	258,804
Add back/less: (2)		
Profit on financial assets at fair value through profit or loss	**(3,889)**	—
Impairments of non-current assets	—	—
Adjusted EBITDA	**280,079**	258,804

(1) Profit before tax, depreciation and amortisation and EBITDA includes a charge to reflect the removal of fuel subsidies (refer to note 2.8 to the financial statements for further details).

(2) Adjustments made to normalise earnings, for example profit on financial assets at fair value through profit or loss, impairments of property, plant and equipment, non-current mining stockpiles and exploration and evaluation assets.

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 sustaining administrative expenses, royalties, depreciation and amortisation. Management uses this measure internally to better assess performance trends for the Company as a whole. Management considers 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. Management considers 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 ("WGC"), an industry body, published a Guidance Note on the '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. In addition, this metric includes 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 was expected that companies have chosen to use the updated guidance from 1 January 2019 or on commencement of their financial year if later. The Group have applied the updated guidance from 1 January 2019 with no impact on our results or comparatives.

Reconciliation of cash cost of production per ounce produced:

		31 December 2019[(1)]	31 December 2018[(1)]
Mine production costs (note 2.3)	US$'000	**351,745**	328,090
Less: Refinery and transport	US$'000	**(1,415)**	(1,508)
Movement of inventory[(2)]	US$'000	**(17,293)**	(37,188)
Cash cost of production – gold produced	US$'000	**333,037**	289,394
Gold produced – total (oz.) (excluding Cleopatra)	oz	**476,195**	463,459
Cash cost of production per ounce produced	US$/oz	**699**	624

(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 2.8 to the financial statements for further details).

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

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:

		31 December 2019[(1)]	31 December 2018[(1)]
Mine production costs (note 2.3)	US$'000	**351,745**	328,090
Less: Refinery and transport	US$'000	**19,701**	18,396
Movement of inventory[(2)]	US$'000	**(28,254)**	(31,296)
Cash cost of production – gold sold	US$'000	**343,192**	315,190
Gold sold – total (oz.) (excluding Cleopatra)	oz	**465,687**	475,362
Cash cost of production per ounce sold	US$/oz	**737**	663

(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 2.8 to the financial statements for further details).

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

Reconciliation of AISC per ounce sold:

		31 December 2019[(1)]	31 December 2018[(1)]
Mine production costs (note 2.3)	US$'000	**351,745**	328,090
Movement in inventory	US$'000	**(28,254)**	(31,296)
Royalties	US$'000	**19,701**	18,396
Sustaining corporate administration costs	US$'000	**11,610**	15,909
Rehabilitation costs	US$'000	**410**	870
Sustaining underground development and exploration	US$'000	**44,621**	43,209
Other sustaining capital expenditure	US$'000	**40,471**	45,982
By-product credit	US$'000	**(987)**	(1,044)
All-in sustaining costs[(2)]	US$'000	**439,317**	420,116
Gold sold – total (oz.) (excluding Cleopatra)	oz	**465,687**	475,362
AISC per ounce sold	US$/oz	**943**	884

(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 2.8 to the financial statements for further details).

(2) Includes refinery and transport.

	31 December 2019 US$'000	31 December 2018 US$'000
Corporate costs		
Sustaining corporate costs	**11,610**	15,909
Non-sustaining corporate costs[(1)]	**7,318**	—
Corporate costs (sub-total) (note 2.3)	**18,928**	15,909

(1) Please note that non-sustaining corporate costs relate to accruals recognised for work performed by the Group's advisors on the successful defence of the Endeavour all-share acquisition attempt of Centamin plc. This is not a normal cost incurred in the day to day operations of running the Group and as such has been excluded from our Non-GAAP reporting measures.

3) Cash and cash equivalents, bullion on hand, gold and silver sales debtor and financial assets at fair value through profit or loss

Cash and cash equivalents, bullion on hand, gold and silver sales debtor and financial assets at fair value through profit or loss is a non-GAAP financial measure. Cash and cash equivalents, bullion on hand, gold and silver sales debtor and financial assets at fair value through profit or loss 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. Management considers 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. Management considers 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 and silver sales debtor and financial assets at fair value through profit or loss 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 and silver sales debtor and financial assets at fair value through profit or loss:

	31 December 2019 US$'000	31 December 2018 US$'000
Cash and cash equivalents (note 2.16(a))	**278,229**	282,627
Bullion on hand (valued at the year end spot price)	**29,562**	11,431
Gold and silver sales debtor (note 2.7)	**34,695**	28,234
Financial assets at fair value through profit or loss (note 2.6)	**6,454**	—
Cash and cash equivalents, bullion on hand, gold and silver sales debtor and financial assets at fair value through profit or loss	**348,940**	322,292

4) Free cash flow and adjusted free cash flow

Free cash flow is a non-GAAP financial measure. Free cash flow is a measure of the available cash after distributions to the NCI in SGM, being EMRA, that the Group has at its disposal to use for capital reinvestment and to distribute to shareholders of the parent 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. Management considers 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. Management considers 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.

	31 December 2019 US$'000	31 December 2018 US$'000
Net cash generated by operating activities	**249,004**	223,404
Less:		
Net cash used in investing activities	**(90,153)**	(83,585)
Dividend paid – non-controlling interest in SGM	**(87,075)**	(76,391)
Free cash flow	**71,776**	63,428
Add back:		
Net acquisitions of financial assets at fair value through profit or loss[(1)]	**2,565**	—
Adjusted free cash flow	**74,341**	63,428

(1) Adjustments made to free cash flow, for example acquisitions and disposals of financial assets at fair value through profit or loss, which are completed through specific allocated available cash reserves.

PRINCIPAL RISKS AND UNCERTANTIES

MANAGING RISK

The management of risk 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 has overall responsibility for establishing a robust risk management framework that allows for the assessment and management of material strategic and operational risks. In addition, the Board is responsible for articulating the Group's risk appetite against the principal risks. 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.

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 constant. The Audit & Risk Committee and Board regularly review the principal risks as well as the wider operational, corporate and general business risks including a discussion on new and emerging risks. The Executive and senior management review, challenge and monitor ongoing risks on a day-to-day basis. The consolidation and analysis of this information is assessed on a quarterly basis and reported to the Board through the Audit and Risk Committee.

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

The Directors confirm that a robust assessment of the principal, new and emerging risks impacting the Company has been undertaken which identified principal, strategic and operational risks at a corporate level through to those impacting our operations in Egypt and West Africa

PRINCIPAL RISKS

The principal risks and uncertainties facing the Group are set out in detail within the Strategic Report section of the 2019 Annual Report[27] and relate to the following:

Strategic risks

- Loss of revenue due to single project dependency
- Sukari Gold Mine relationship with our partners EMRA
- Jurisdictional taxation exposure

External risks

- Gold price
- Political risk – Egypt
- Political risk – West Africa
- Litigation

Operational risks

- Failure to achieve exploration development success
- Reserve and resource estimates
- Failure to achieve production estimates

EMERGING RISKS

Below we have outlined a non-exhaustive list of emerging risks assessed during the year, which are set out within the Strategic Report section of the 2019 Annual Report:

- Coronavirus ("COVID-19")
- Environment and Sustainability
- Climate Change
- Tailings Storage Facility ("TSF")
- Corporate Action
- Retention of Personnel
- Governance & Regulation
- Business Development
- Capital Projects
- Local Security – West Africa

[27] To be published on 27 May 2020

Set out below are the audited consolidated Financial Statements for the group, including notes thereto, for the year ended 31 December 2019. The independent auditors report on these Financial Statements was unmodified.

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	**31 December 2019 US$'000**	31 December 2018 US$'000
Revenue	2.2	**652,344**	603,248
Cost of sales	2.3	**(439,285)**	(406,538)
Gross profit		**213,059**	196,710
Profit on financial assets at fair value through profit or loss	2.6	**3,889**	—
Other income[1]	2.3	**5,856**	6,421
Finance income	2.3	**5,817**	4,815
Other operating costs[1]	2.3	**(38,709)**	(34,238)
Exploration and evaluation expenditure	2.1	**(16,883)**	(21,006)
Profit for the year before tax		**173,029**	152,702
Tax	2.5	**(112)**	(53)
Profit for the year after tax		**172,917**	152,649
Profit for the year after tax attributable to:			
– the owners of the parent		**87,463**	74,845
– non-controlling interest in SGM	2.4	**85,454**	77,804
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)		—	(125)
Other comprehensive expense for the year		—	(125)
Total comprehensive income for the year		**172,917**	152,524
Total comprehensive income for the year attributable to:			
– the owners of the parent		**87,463**	74,720
– non-controlling interest in SGM	2.4	**85,454**	77,804
Earnings per share attributable to owners of the parent:			
Basic (US cents per share)	6.4	**7.588**	6.497
Diluted (US cents per share)	6.4	**7.535**	6.444

[1] The 2018 comparative figures for Other income and Other operating costs have changed due to reclassifications, refer to note 2.3 for further information.

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	**31 December 2019 US$'000**	31 December 2018 US$'000
Non-current assets			
Property, plant and equipment	2.9	**804,717**	835,987
Exploration and evaluation asset	2.10	**68,138**	59,154
Inventories – mining stockpiles	2.11	**52,658**	32,424
Other receivables	2.7	**93**	88
Total non-current assets		**925,606**	927,653
Current assets			
Inventories	2.11	**108,957**	97,550
Financial assets at fair value through profit or loss	2.6	**6,454**	—
Trade and other receivables	2.7	**47,061**	33,443
Prepayments	2.8	**6,132**	6,696
Cash and cash equivalents	2.16	**278,229**	282,627
Total current assets		**446,833**	420,316
Total assets		**1,372,439**	1,347,969
Non-current liabilities			
Provisions	2.13	**14,575**	13,748
Total non-current liabilities		**14,575**	13,748
Current liabilities			
Trade and other payables	2.12	**57,411**	39,246
Tax liabilities	2.5	**227**	3
Provisions	2.13	**8,589**	8,155
Total current liabilities		**66,227**	47,404
Total liabilities		**80,802**	61,152
Net assets		**1,291,637**	1,286,817
Equity			
Issued capital	2.14	**672,105**	670,589
Share option reserve	2.15	**4,179**	5,688
Accumulated profits		**615,353**	610,540
Total equity attributable to:			
– owners of the parent		**1,293,528**	1,287,087
– non-controlling interest in SGM	2.4	**(1,891)**	(270)
Total equity		**1,291,637**	1,286,817

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

The audited consolidated financial statements were authorised by the Board of Directors for issue on 18 May 2020 and signed on its behalf by:

Ross Jerrard	**Darren Le Masurier**
Chief Financial Officer	Company Secretary
Director	On behalf of the Board
18 May 2020	18 May 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	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 2019		**670,589**	**5,688**	**610,810**	**1,287,087**	**(270)**	**1,286,817**
Profit for the year after tax		—	—	**87,463**	**87,463**	**85,454**	**172,917**
Total comprehensive income for the year		—	—	**87,463**	**87,463**	**85,454**	**172,917**
Recognition of share-based payments		—	**7**	—	**7**	—	**7**
Transfer of share-based payments		**1,516**	**(1,516)**	—	—	—	—
Dividend paid – non-controlling interest in SGM	2.4	—	—	—	—	**(87,075)**	**(87,075)**
Dividend paid – owners of the parent		—	—	**(81,029)**	**(81,029)**	—	**(81,029)**
Balance as at 31 December 2019		**672,105**	**4,179**	**617,244**	**1,293,528**	**(1,891)**	**1,291,637**

	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	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

The above audited consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	**31 December 2019 US$'000**	31 December 2018 US$'000
Cash flows from operating activities			
Cash generated from operating activities	2.16(b)	**249,048**	223,791
Income tax refund received		**170**	—
Income tax paid		**(214)**	(387)
Net cash generated by operating activities		**249,004**	223,404
Cash flows from investing activities			
Acquisition of financial assets at fair value through profit or loss	2.6	**(9,364)**	—
Disposal of financial assets at fair value through profit or loss	2.6	**6,799**	—
Acquisition of property, plant and equipment		**(81,207)**	(83,454)
Brownfield exploration and evaluation expenditure		**(12,198)**	(4,946)
Finance income	2.3	**5,817**	4,815
Net cash used in investing activities		**(90,153)**	(83,585)
Cash flows from financing activities			
Dividend paid – non-controlling interest in SGM	2.4	**(87,075)**	(76,391)
Dividend paid – owners of the parent		**(81,029)**	(144,567)
Net cash used in financing activities		**(168,104)**	(220,958)
Net decrease in cash and cash equivalents		**(9,253)**	(81,139)
Cash and cash equivalents at the beginning of the year		**282,627**	359,680
Effect of foreign exchange rate changes		**4,855**	4,086
Cash and cash equivalents at the end of the year	2.16(a)	**278,229**	282,627

The above audited consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. Current reporting period amendments

1.1 Changes in critical judgments and estimates

There were no updates and/or changes to critical accounting judgments and estimates that management have made in the year in applying the Group's accounting policies, that have the most significant effect on the amounts recognised and the disclosure of such amounts in the financial statements.

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:

- adoption of the following new and revised accounting standards:
  - IFRS 16 'Leases' has been assessed by management, for further information, see note 1.2.1 below.
- No new standards, amendments and interpretations not yet adopted.

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

1.2.1 IFRS 16 Leases

In the current year, this new standard has been adopted and has not had a material impact on the amounts reported in these financial statements.

Nature of change

IFRS 16 was issued in January 2016. It has resulted 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

In the year ended 31 December 2018 the Group set up a project team which reviewed all the Group's leasing arrangements in light of the new lease accounting rules in IFRS 16. The standard affects primarily the accounting for the Group's operating leases.

Management performed an impact assessment of IFRS 16 on the Group's contracts and financial statements. 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 were excluded from this assessment by application of paragraph C3(b) of IFRS 16. Management elected to apply 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.

Mandatory application date and date of adoption by Group

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

As at 31 December 2018, the Group had non-cancellable operating lease commitments of US$3.2 million, see note 5.2 of the 2018 annual report. Of these commitments, approximately US$1.1 million related to low value leases which are and will be recognised on a straight-line basis as an expense in profit or loss.

For the remaining lease commitments, the Group recognised right-of-use assets of approximately US$1.6 million on 1 January 2019 and lease liabilities of US$1.6 million (after adjustments for prepayments and accrued lease payments recognised as at 31 December 2018). Overall net assets have changed, and net current assets are US$0.3 million lower due to the presentation of a portion of the liability as a current liability.

Due to these IFRS 16 adjustments at 1 January 2019 and the consequential transactions in the year not being material, the full disclosure of the impact of the new standard has been excluded from these results.

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 statements:

- IFRIC 23 'Uncertainty over Income Tax Treatments' has been adopted from its effective date of 1 January 2019, its impact has been assessed by management, with no material impact on these results.

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 Critical judgments and estimates in applying the entity's accounting policies

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

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

The critical accounting judgments are as follows:

1.3.1 Judgment: Control

1.3.1.1 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. In prior periods the FRC questioned management's judgment of control and resulting full consolidation of SGM as a subsidiary within the Group's financial statements.

SGM is consolidated within the Group, reflecting the substance and economic reality of the Concession Agreement ("CA") (see note 4.1 to the financial statements). 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 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 financial statements 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; and
    - 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 statements on this basis.

1.3.1.2 Treatment and disclosure of EMRA profit share

EMRA holds 50% 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 two years), 55/45 (second two 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 financial statements 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 treatment and disclosure of the EMRA profit share as an NCI for 2019 is consistent with the amended disclosure presented for the first time in the 2018 annual report. This amended disclosure was in response to the FRC query finalised in 2018. For further information on how the disclosures were amended in 2018, please see note 1.1.1.2 of the 2018 annual report.

1.3.2 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.

Considering the requirements of IAS36 an impairment test has been performed. On review, no impairment was required.

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.

1.3.2.1 Sukari Gold Mine

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 2019. 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$1,350/oz, real discount rate of 6.5% 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 2020;
- a decrease in the in-situ resource multiple to US$23/oz;
- an increase in the real discount rate to 9%; and
- a reduction in 2020 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.

1.3.2.2 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' 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 2019. The recoverable amount of the E&E CGUs 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 CGUs 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 CGUs and were considered to be higher than the VIU amount.

For purposes of testing for impairment of the E&E CGUs, 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$10/oz

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.

1.3.3 Litigation

The Group exercises judgment in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation, as well as other contingent liabilities (see note 5.1 to the financial statements). Judgment is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement.

The Group is currently a party to two 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 statements. 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 notes 1.2 and 1.3 above. The other critical estimates and assumptions are as follows:

1.3.4 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 judgment of complex geological models. The economic, geological and technical factors used to estimate ore reserves may change from period to period. Changes in ore reserves affect the carrying values of mine properties, property, plant and equipment, provision for rehabilitation assets and deferred taxes. Ore reserves are integral to the amount of depreciation and amortisation charged to the consolidated statement of comprehensive income and the calculation in the valuation of inventory.

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

1.3.5 Mineral reserve and resource statement
The Group mineral reserve and resource statement for the Sukari Gold Mine with an effective date of 18 July 2019 will be published on 27 May 2020 as part of the 2019 Annual Report. The mineral reserve estimation has used an assumed gold price of US$1,300 per ounce as a basis of preparation. The information on the mineral resources and reserves was prepared by Qualified Persons as defined by the National Instrument 43-101 of the Canadian Securities Administrators.

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.

1.3.6 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 judgment is made that recovery of the expenditure is unlikely or the project is to be abandoned, the relevant capitalised amount will be written off to the income statement.

1.3.7 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 statements.

COVID-19
The FRC has released updated guidelines regarding disclosure of "material uncertainties" to going concern in current circumstances. Material uncertainties refers to uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern. In other words, if boards identify possible events or scenarios (other than those with a remote probability of occurring) that could lead to corporate failure, then these should be disclosed. When assessing whether material uncertainties exist, boards should consider both the uncertainty and the likely success of any realistically possible response to mitigate this uncertainty.

The economic impact of the COVID-19 pandemic will have its effect on the Group. Currently there are no material financial implications to our operations and Sukari continues to operate with no confirmed cases on site. Gold sales are still commencing on a weekly basis although due to travel restrictions in certain countries the route flown to Canada has changed slightly and resulted in an additional transport cost of c.US$0.40/oz. Gold sales are continuing, and this trend is expected to continue assuming further travel restrictions are not implemented and there are no operational issues caused by the pandemic. Weekly cash flow forecasts continue to be performed and distributions to EMRA and PGM are continuing, however these can be halted should cash be locally required. To date there has been no significant impact to critical stock on site but this in continuously being assessed and backup plans are in place. Due to the current travel restriction on people in Egypt some expatriates and Egyptian nationals on site will be required to work longer shifts and will be compensated accordingly, however everything possible is being done to ensure they are operating within the health and safety guidelines, they are having sufficient time to rest after their shifts and to assist them to meet their rotation schedules.

In order to secure the health and safety of our employees and the production capabilities of Sukari, the Group established a COVID-19 Executive Committee and support team which meets and provides daily updates on COVID-19 globally to site, Production, Supply Chain and HSE activities. Sukari is operating a very strict three-point check for all people movements to prevent the spread of the disease and all corporate offices are currently closed with employees working from home. The Group is continuously evaluating further potential actions to mitigate risk due to the COVID-19 crisis. As a result, and even though globally everyone is confronted with a high level of uncertainty, it is not expected that the coronavirus COVID-19 will have a material negative impact on the ability of the Group to operate as going concern.

Management have performed detailed analyses and forecasts to assess the economic impact of COVID-19 from a going concern and viability perspective. The Group continues to benefit from a strong balance sheet with large cash balances and no debt. At 31 December 2019 the Group had cash and cash equivalents of US$278 million and therefore it is very likely that the Group will have sufficient liquidity for at least 12 months after the date of approval of these financial statements. As part of assessing the Group's ability to continue as a going concern, management performed various stress testing scenarios on the Group's balance sheet to assess the potential downturn this pandemic could have on its business, the scenarios addressed were:

- Current state;
- Underground shutdown;
- Reduced processing - Plant 2 shutdown;
- Processing plant shutdown - Plant 1 & 2; and
- All activities suspension.

The sensitivities applied were informed by internal and external data sources, including a review of the Group's most recent production levels with reductions in production levels to various stages of slowdown and suspension. Consultations regarding the impact of this pandemic have also been had both with our critical suppliers and refiners. The Group doesn't engage in any hedging activities and as such all gold sales are exposed to movements in market prices.

In each scenario, sufficient liquidity was demonstrated, and we have no information that an All Activities Suspension scenario is likely to occur. In the event of such further deterioration of market conditions as a result of the COVID-19 outbreak, and implementation of the mitigating actions identified by the Board, the Group will have sufficient liquidity to meet obligations when they fall due for a period of at least 12 months after 18 May 2020.

Based on these detailed cash flow forecasts prepared by management, in which it included any reasonably possible change in the key assumptions on which the cash flow forecasts were based and assessing various scenarios related to COVID-19, the Directors have a reasonable expectation that the Group will have adequate resources to continue in operational existence for twelve months from 18 May 2020 and that at this point in time there are no material uncertainties regarding going concern. Key assumptions underpinning the forecasts include:

- available cash balances;
- favourable litigation outcomes, for current litigation refer to note 5.1 to the financial statements;
- gold price of US$1,500/oz.; and
- production volumes in line with 2019 guidance.

These financial statements for the year ended 31 December 2019 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.

1.3.8 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 for 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 the 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 2019 US$'000	31 December 2018 US$'000
Egypt	**888,681**	891,131
Burkina Faso	**35,845**	35,959
Côte d'Ivoire	**524**	543
Corporate	**556**	20
	925,606	927,653

Additions to non-current assets mainly relate to Egypt and are disclosed in note 2.9.

Statement of financial position by operating segment:

31 December 2019	**Total US$'000**	**Egypt US$'000**	**Burkina Faso US$'000**	**Côte d'Ivoire US$'000**	**Corporate US$'000**
Statement of financial position					
Total assets	**1,372,439**	**1,048,764**	**36,904**	**1,282**	**285,489**
Total liabilities	**(80,802)**	**(69,002)**	**(426)**	**(704)**	**(10,670)**
Net assets/total equity	**1,291,637**	**979,762**	**36,478**	**578**	**274,819**

31 December 2018	Total US$'000	Egypt US$'000	Burkina Faso US$'000	Côte d'Ivoire US$'000	Corporate US$'000
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

Statement of comprehensive income by operating segment:

31 December 2019	**Total US$'000**	**Egypt US$'000**	**Burkina Faso US$'000**	**Côte d'Ivoire US$'000**	**Corporate US$'000**
Statement of comprehensive income					
Revenue	**652,344**	**652,344**	—	—	—
Cost of sales	**(439,285)**	**(439,285)**	—	—	—
Gross profit	**213,059**	**213,059**	—	—	—
Profit on financial assets at fair value through profit or loss (net of tax)	**3,889**	—	—	—	**3,889**
Other income	**5,856**	**6,105**	**(55)**	**(299)**	**105**
Finance income	**5,817**	**42**	—	—	**5,775**
Other operating costs	**(38,709)**	**(18,492)**	**(159)**	**(205)**	**(19,852)**
Exploration and evaluation costs	**(16,883)**	—	**(2,715)**	**(14,168)**	—
Profit/(loss) for the year before tax	**173,029**	**200,714**	**(2,929)**	**(14,672)**	**(10,083)**
Tax	**(112)**	**(282)**	—	—	**170**
Profit/(loss) for the year after tax	**172,917**	**200,432**	**(2,929)**	**(14,672)**	**(9,913)**
Profit/(loss) for the year after tax attributable to:					
– the owners of the parent(1)	**87,463**	**114,978**	**(2,929)**	**(14,672)**	**(9,913)**
– non-controlling interest in SGM(1)	**85,454**	**85,454**	—	—	—

(1) Please note that the cost recovery model on which profit share is based under the Concession Agreement is different to the accounting results presented above due to various adjustments and as such the share of profit disclosed above is not reflective of the 55%:45% split that occurs in practice, refer to the statement of cash flows by operating segment below and the free cash flow - Egypt note in the financial review section for further information.

31 December 2018	Total US$'000	Egypt US$'000	Burkina Faso US$'000	Côte d'Ivoire US$'000	Corporate US$'000
Statement of comprehensive income					
Revenue	603,248	603,248	—	—	—
Cost of sales	(406,538)	(406,538)	—	—	—
Gross profit	196,710	196,710	—	—	—
Other income	6,421	6,221	(90)	(476)	766
Finance income	4,815	44	—	—	4,771
Other operating costs	(34,238)	(19,605)	(391)	(168)	(14,074)
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(1)	74,845	105,513	(5,704)	(16,427)	(8,537)
– non-controlling interest in SGM(1)	77,804	77,804	—	—	—

(1) Please note that the cost recovery model on which profit share is based under the Concession Agreement is different to the accounting results presented above due to various adjustments and as such the share of profit disclosed above is not reflective of the 55%:45% split that occurs in practice, refer to the statement of cash flows by operating segment below and the free cash flow - Egypt note in the financial review section for further information.

Statement of cash flows by operating segment:

31 December 2019	Total US$'000	Egypt US$'000	Burkina Faso US$'000	Côte d'Ivoire US$'000	Corporate US$'000
Statement of cash flows					
Net cash generated by/(used in) operating activities[(1)]	**249,004**	**285,534**	**(282)**	**777**	**(37,025)**
Net cash (used in)/generated by investing activities	**(90,153)**	**(92,571)**	**(4)**	**(160)**	**2,582**
Net cash (used in)/generated by financing activities					
Dividend paid – non-controlling interest in SGM	**(87,075)**	**(87,075)**	—	—	—
Dividend paid – controlling interest in SGM	—	**(106,425)**	—	—	**106,425**
Dividend paid – owners of the parent	**(81,029)**	—	—	—	**(81,029)**
Net (decrease)/increase in cash and cash equivalents	**(9,253)**	**(537)**	**(286)**	**617**	**(9,047)**
Cash and cash equivalents at the beginning of the period	**282,627**	**3,714**	**28**	**241**	**278,644**
Effect of foreign exchange rate changes	**4,855**	**2,704**	**274**	**(296)**	**2,173**
Cash and cash equivalents at the end of the period	**278,229**	**5,881**	**16**	**562**	**271,770**

(1) Please note that the cash generated by operating activities for Burkina Faso and Côte d'Ivoire are affected by the movements in working capital, specifically intercompany loans, with its direct parent entity Centamin West Africa Holdings Limited which is included within the corporate segment.

31 December 2018	Total US$'000	Egypt US$'000	Burkina Faso US$'000	Côte d'Ivoire US$'000	Corporate US$'000
Statement of cash flows					
Net cash generated by/(used in) operating activities[(1)]	223,404	255,488	(304)	628	(32,408)
Net cash (used in)/generated by investing activities	(83,585)	(88,098)	(2)	(248)	4,763
Net cash used in financing activities					
Dividend paid – non-controlling interest in SGM	(76,391)	(76,391)	—	—	—
Dividend (paid)/received – controlling interest in SGM	—	(93,855)	—	—	93,855
Dividend paid – owners of the parent	(144,567)	—	—	—	(144,567)
Net (decrease)/increase in cash and cash equivalents	(81,139)	(2,856)	(306)	380	(78,357)
Cash and cash equivalents at the beginning of the period	359,680	1,614	132	335	357,599
Effect of foreign exchange rate changes	4,086	4,955	202	(474)	(597)
Cash and cash equivalents at the end of the period	282,627	3,713	28	241	278,645

(1) Please note that the cash generated by operating activities for Burkina Faso and Côte d'Ivoire are affected by the movements in working capital, specifically intercompany loans, with its direct parent entity Centamin West Africa Holdings Limited which is included within the corporate segment.

Exploration expenditure by operating segment:

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

	31 December 2019 US$'000	31 December 2018 US$'000
Burkina Faso	**2,715**	5,223
Côte d'Ivoire	**14,168**	15,783
Egypt (Sukari tenement including Cleopatra excluding pre-production gold sales adjustment)	**16,478**	13,635
Total exploration expenditure	**33,361**	34,641

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 2019 US$'000	31 December 2018 US$'000
Gold sales (Including pre-production gold sales related to Cleopatra)	**657,124**	613,727
Less: Pre-production gold sales related to Cleopatra – transferred to exploration and evaluation asset	**(5,767)**	(11,523)
Gold sales (Excluding pre-production gold sales related to Cleopatra)	**651,357**	602,204
Silver sales	**987**	1,044
	652,344	603,248

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

ACCOUNTING POLICY: REVENUE

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

Sale of goods

Under IFRS 15, 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 doré 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 judgments 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.

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 2019 US$'000	31 December 2018 US$'000
Other income		
Net foreign exchange gains	**5,806**	6,372
Other income	**50**	49
	5,856	6,421
Finance income		
Interest received	**5,817**	4,815
Expenses		
Cost of sales		
Mine production costs (Including costs related to gold produced from Cleopatra)	**(353,232)**	(330,924)
Mine production costs related to gold produced from Cleopatra – transferred to exploration and evaluation asset	**1,487**	2,834
Mine production costs	**(351,745)**	(328,090)
Movement in inventory	**28,254**	31,296
Depreciation and amortisation	**(115,794)**	(109,744)
	(439,285)	(406,538)

	31 December 2019 US$'000	31 December 2018 US$'000
Other operating costs		
Corporate compliance	**(3,158)**	(1,758)
Fees payable to the external auditors	**(847)**	(710)
Corporate consultants	**(7,380)**	(652)
Communications and IT	**(295)**	(328)
Salaries and wages	**(5,004)**	(7,316)
Travel, accommodation and entertainment	**(726)**	(819)
Office rents and lease payment	**(99)**	(148)
Other administration expenses	**(933)**	(482)
Insurances	**(630)**	(305)
Other taxes	**151**	(169)
Employee equity settled share-based payments	**(7)**	(3,222)
Corporate costs (sub-total)	**(18,928)**	(15,909)
Other provisions	—	58
Net movement on provision for stock obsolescence	**1,500**	1,804
Inventory written off	**(594)**	(451)
Office related depreciation	**(393)**	(301)
Royalty – attributable to the ARE government	**(19,701)**	(18,396)
Bank charges	**(161)**	(142)
Finance charges	**(569)**	(870)
Gain/(loss) on disposal of asset	**137**	(31)
	(38,709)	(34,238)

Net foreign exchange gains have been recognised within Other income disclosures, in prior years these were netted off against Other operating costs, prior year comparatives have been reclassified accordingly where there have been net foreign exchange gains.

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

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each 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 and 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 2019 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 judgments and estimates that can affect the amounts recognised in the financial statements.

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

	31 December 2019 US$'000	31 December 2018 US$'000
Statement of comprehensive income		
Profit for the year after tax attributable to the non-controlling interest in SGM(1)	**85,454**	77,804
Statement of financial position		
Total equity attributable to non-controlling interest in SGM(1) (opening)	**(270)**	(1,683)
Profit for the year after tax attributable to the non-controlling interest in SGM(1)	**85,454**	77,804
Dividend paid – non-controlling interest in SGM	**(87,075)**	(76,391)
Total equity attributable to non-controlling interest in SGM(1) (closing)	**(1,891)**	(270)

(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.

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) Statement of cash flows impact

	31 December 2019 US$'000	31 December 2018 US$'000
Statement of cash flows		
Dividend paid – non-controlling interest in SGM(1)	**(87,075)**	(76,391)

(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. If management's estimate of the future resolution of these matters' changes, the Group will recognise the effects of the changes in its consolidated financial statements in the period that such changes occur.

In 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.

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 addition 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.

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

Tax recognised in profit is summarised as follows:

Tax expense

	31 December 2019 US$'000	31 December 2018 US$'000
Current tax		
Current tax expense in respect of the current year	**(112)**	(53)
Deferred tax	**—**	—
Total tax expense	**(112)**	(53)

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

	31 December 2019 US$'000	31 December 2018 US$'000
Profit for the year before tax	**173,029**	152,702
Tax expense calculated at 0%(1) (2018: 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	**(112)**	(53)
Tax	**(112)**	(53)

(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 (2018: 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 2019 US$'000	31 December 2018 US$'000
Current tax liabilities	**227**	3
Non-current tax liabilities	**—**	155

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

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

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

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

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

2.6 Financial assets at fair value through profit or loss

	31 December 2019 US$'000	31 December 2018 US$'000
Balance at the beginning of the period	—	—
Additions at cost	**9,364**	—
Disposals at market value	**(6,799)**	—
Unrealised gain on fair value of investment – profit or loss	**4,041**	—
Unrealised loss on foreign exchange movement	**(152)**	—
	6,454	—

The financial assets at fair value through profit or loss at 31 December 2019 relates to an equity interest in a listed public company. Subsequent to 31 December 2019 and as at the date of approval of these financial statements this equity interest has been disposed of in full.

Accounting policy: Financial instruments

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

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

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. 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.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

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.

2.7 Trade and other receivables

	31 December 2019 US$'000	31 December 2018 US$'000
Non-current		
Other receivables – deposits	**93**	88
	93	88

	31 December 2019 US$'000	31 December 2018 US$'000
Current		
Gold and silver sales debtors	**34,695**	28,234
Other receivables	**12,366**	5,209
	47,061	33,443

Trade and other receivables are classified as financial assets subsequently 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 (2018: nine days) and expected credit losses are highly immaterial. 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, inventory returns to vendors where refunds are expected to occur and amounts receivable from the sale of shares in a listed public company.

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.

2.8 Prepayments

	31 December 2019 US$'000	31 December 2018 US$'000
Current		
Prepayments	**4,776**	5,149
Fuel prepayments	**1,356**	1,547
	6,132	6,696

Diesel Fuel Oil ("DFO") dispute

As more fully described in note 5.1, 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$362.9 million to 31 December 2019, of which US$35.9 million was provided for during 2019.

In order to allow a better understanding of the financial statements presented within the consolidated financial statements, 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 2019 US$'000	31 December 2018 US$'000
Balance at the beginning of the year	**1,547**	2,247
Fuel prepayment recognised	**35,922**	49,711
Less: Provision charged to:		
Mine production costs	**(31,058)**	(45,017)
Property, plant and equipment	**(5,712)**	(5,175)
Inventories	**657**	(219)
Balance at the end of the year	**1,356**	1,547

Cumulative fuel prepayment and provision recognised

	31 December 2019 US$'000	31 December 2018 US$'000
Fuel prepayment recognised	**362,885**	326,967
Less: provision charged to:		
Mine production costs	**(333,104)**	(302,047)
Property, plant and equipment	**(27,766)**	(22,055)
Inventories	**(659)**	(1,317)

This has resulted in a net charge of US$28.0 million in the profit and loss for the year.

	31 December 2019			31 December 2018		
	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	**(320,687)**	**(31,058)**	**(351,745)**	(283,073)	(45,017)	(328,090)
Movement in inventory	**25,159**	**3,095**	**28,254**	35,821	(4,525)	31,296
Depreciation and amortisation	**(115,794)**	**—**	**(115,794)**	(109,744)	—	(109,744)
	(411,322)	**(27,963)**	**(439,285)**	(356,996)	(49,542)	(406,538)

2.9 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
Year ended 31 December 2019							
Cost							
Balance at 1 January 2019	**7,307**	**2,347**	**604,158**	**309,788**	**517,629**	**23,482**	**1,464,711**
Additions	**73**	**1,229**	**357**	**10,164**	**689**	**68,695**	**81,207**
Increase in rehabilitation asset	—	—	—	—	**570**	—	**570**
Transfers from capital work in progress	**409**	**25**	**9,292**	**14,189**	**39,678**	**(63,593)**	—
Transfers from exploration and evaluation asset	—	—	—	—	**3,214**	—	**3,214**
Disposals	—	**(68)**	**(15)**	**(22)**	—	—	**(105)**
Balance at 31 December 2019	**7,789**	**3,533**	**613,792**	**334,119**	**561,780**	**28,584**	**1,549,597**
Accumulated depreciation and amortisation							
Balance at 1 January 2019	**(6,384)**	**(695)**	**(185,075)**	**(205,103)**	**(231,467)**	—	**(628,724)**
Depreciation and amortisation	**(590)**	**(403)**	**(28,613)**	**(45,438)**	**(41,142)**	—	**(116,186)**
Disposals	—	**1**	**7**	**22**	—	—	**30**
Balance at 31 December 2019	**(6,974)**	**(1,097)**	**(213,681)**	**(250,519)**	**(272,609)**	—	**(744,880)**
Year ended 31 December 2018							
Cost							
Balance at 1 January 2018	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 1 January 2018	(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)
Net book value							
As at 31 December 2019	**815**	**2,436**	**400,111**	**83,600**	**289,171**	**28,584**	**804,717**
As at 31 December 2018	923	1,652	419,083	104,685	286,162	23,482	835,987

Included various PPE categories within the additions for 2019 the Group recognised right-of-use assets of approximately US$1.6 million as a result of the application of IFRS 16 Leases.

An impairment review was performed in 2019 on the Sukari cash generating unit ("CGU"), refer to note 1.3.2.1 above, however no impairment resulted from the review.

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.

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.

2.10 Exploration and evaluation asset

	31 December 2019 US$'000	31 December 2018 US$'000
Balance at the beginning of the year	**59,154**	63,885
Expenditure for the period	**16,478**	13,635
Pre-production gold sales net of costs related to Cleopatra	**(4,280)**	(8,688)
Transfer to property, plant and equipment	**(3,214)**	(9,678)
Balance at the end of the year	**68,138**	59,154

The exploration and evaluation asset relates to the drilling, geological exploration and sampling of potential ore reserves and can be attributed to Egypt (US$32.9 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' 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.

An impairment review has subsequently been performed Sukari cash generating unit ("CGU") during 2019, refer to note 1.3.2.2 of above for further information, however no impairment resulted from the review.

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.

2.11 Inventory

The treatment and classification of mining stockpiles within inventory is split between current and non-current assets. Stockpiles which will not be consumed within the next twelve months based on mining and processing forecasts have been reclassified to non-current assets. The reason for the classification split 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 2.4% 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 mineral reserves estimate for Sukari at 30 June 2018, the mine cut-off grade for the surface stockpiles was changed from 0.3 to 0.4 grams per tonne (g/t), this is consistent with the updated mineral reserves estimate for Sukari at 30 June 2019. In 2018 amounts under 0.4g/t were expensed which resulted in a US$5.7 million charge in that year.

	31 December 2019 US$'000	31 December 2018 US$'000
Non-current		
Mining stockpiles	**52,658**	32,424
	52,658	32,424

	31 December 2019 US$'000	31 December 2018 US$'000
Current		
Mining stockpiles and ore in circuit	**38,620**	30,601
Stores inventory	**72,169**	70,281
Provision for obsolete stores inventory	**(1,832)**	(3,332)
	108,957	97,550

Stores inventories written off in the year total US$0.6 million as per note 2.3 (2018: US$ nil).

ACCOUNTING POLICY: INVENTORIES

Inventories include mining stockpiles, gold in circuit, doré supplies and stores and materials 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 twelve 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.

2.12 Trade and other payables

	31 December 2019 US$'000	31 December 2018 US$'000
Trade payables	**27,249**	23,510
Other creditors and accruals	**30,162**	15,736
	57,411	39,246

Trade payables principally comprise the amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 23 days (2018: 21 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.

Other creditors and accruals relate to various accruals that have been recognised due to amounts known to be outstanding for which invoices have not yet been received. The large increase is partly due to accruals regarding advisor fees related to the Endeavour takeover bid. Included in other creditors and accruals for 2019 the Group recognised liabilities in relation to right-of-use assets of approximately US$1.2 million as a result of the application of IFRS 16 Leases.

The Directors consider that the carrying amount of trade payables approximate their fair value.

Accounting policy: Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

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.

2.13 Provisions

	31 December 2019 US$'000	31 December 2018 US$'000
Current		
Employee benefits(1)	**701**	1,855
Egypt health insurance(2)	—	805
Other current provisions(3)	**7,888**	5,495
	8,589	8,155
Non-current		
Restoration and rehabilitation(4)	**14,572**	13,591
Other non-current provisions	**3**	157
	14,575	13,748
Movement in restoration and rehabilitation provision		
Balance at beginning of the year	**13,591**	10,868
Additional provision recognised	**570**	1,854
Interest expense – unwinding of discount	**411**	869
Balance at end of the year	**14,572**	13,591

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

(2) Egypt health insurance relates to Law no. 2 of the 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, this is currently undergoing review and as such has not been provided for in 2019.

(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 2.40% (2018: 3.02%) using a US$

applicable rate and inflation applied at 1.77% (2018: 2.49%). 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 2019 has resulted in a US$0.57 million increase in the provision.

Key management estimates are the unit costs used in calculating the nominal provision amount, for various activities, namely ripping and grading, hauling and application, regrading slopes, construction of bunds and demolition of buildings, as well as certain fixed costs, including labour and dismantling of equipment. Unit costs range between $0.33/m2 to $6.62/m2. A 10% change in these unit and fixed costs would have a US$1.6 million impact on the provision and corresponding asset amounts, with a highly insignificant effect on the consolidated statement of comprehensive income.

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.

2.14 Issued capital

	31 December 2019		31 December 2018	
	Number	**US$'000**	Number	US$'000
Fully paid ordinary shares				
Balance at beginning of the period	**1,154,722,984**	**670,589**	1,152,107,984	668,732
Employee share option scheme – proceeds from shares issued	**1,232,400**	**1,312**	2,615,000	1,406
Transfer from share option reserve	—	**204**	—	451
Balance at end of the period	**1,155,955,384**	**672,105**	1,154,722,984	670,589

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

At 31 December 2019, the trustee of the deferred bonus share plan held 473,049 ordinary shares (2018: 606,383 ordinary shares) pursuant to the plan rules.

Fully paid ordinary shares carry one vote per share and carry the right to dividends. See note 6.3 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.

2.15 Share option reserve

	31 December 2019 US$'000	31 December 2018 US$'000
Share option reserve		
Balance at beginning of the period	**5,688**	4,323
Share-based payments expense	**2,646**	3,520
Transfer to accumulated profits	**(2,639)**	(298)
Transfer to issued capital	**(1,516)**	(1,857)
Balance at the end of the period	**4,179**	5,688

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.

2.16 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 2019 US$'000	31 December 2018 US$'000
Cash and cash equivalents	**278,229**	282,627

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 2019 US$'000	31 December 2018 US$'000
Profit for the year before tax	**173,029**	152,702
Adjusted for:		
Profit on financial assets at fair value through profit or loss	**(3,889)**	—
Depreciation/amortisation of property, plant and equipment	**116,187**	110,047
Inventory written off	**594**	451
Inventory obsolescence provision	**(1,500)**	(1,804)
Foreign exchange gains, net	**(5,806)**	(6,373)
Share-based payments expense	**7**	3,222
Finance income	**(5,817)**	(4,815)
(Gain)/loss on disposal of property, plant and equipment	**(137)**	31
Changes in working capital during the period:		
(Increase)/decrease in trade and other receivables	**(13,619)**	1,023
(Increase) in inventories	**(30,141)**	(22,959)
Decrease in prepayments	**559**	3,105
Increase/(decrease) in trade and other payables	**18,167**	(12,340)
Increase in provisions	**1,414**	1,501
Cash flows generated from operating activities	**249,048**	223,791

(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 2.14 and 2.15. 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 2019 US$'000	31 December 2018 US$'000
Financial assets		
Cash and cash equivalents	**278,229**	282,627
Trade and other receivables (excluding VAT)	**46,320**	32,743
Financial assets at fair value through profit or loss	**6,454**	—
	331,003	315,370
Financial liabilities		
Trade and other payables	**57,411**	39,246

(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 2019 US$'000	31 December 2018 US$'000	**31 December 2019 US$'000**	31 December 2018 US$'000	**31 December 2019 US$'000**	31 December 2018 US$'000
Financial assets						
Cash and cash equivalents	**1,999**	1,631	**1,339**	1,379	**2,141**	1,344
Financial assets at fair value through profit or loss	—	—	**6,454**	—	—	—
	1,999	1,631	**7,793**	1,379	**2,141**	1,344
Financial liabilities						
Trade and other payables	**224**	(833)	**10,192**	9,699	**(858)**	5,453
	224	(833)	**10,192**	9,699	**(858)**	5,453
Net exposure	**1,775**	2,464	**(2,399)**	(8,320)	**2,999**	(4,109)

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 2019	31 December 2018	**31 December 2019**	31 December 2018
	US$'000	US$'000	**US$'000**	US$'000
US$/GBP increase by 10%	**161**	223	**—**	—
US$/GBP decrease by 10%	**(197)**	(223)	**—**	—
US$/AUD increase by 10%	**(805)**	(756)	**(587)**	—
US$/AUD decrease by 10%	**984**	756	**717**	—
US$/EGP increase by 10%	**273**	(374)	**—**	—
US$/EGP decrease by 10%	**(333)**	374	**—**	—

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 financial assets at fair value through profit or loss holdings an increase in AUD and GBP trade payables offset by a decrease in EGP trade payables. There is also a decrease in US dollar cash holdings and offset by an increase in US dollar trade payables.

The amounts shown above are the main currencies which the Group is exposed to. Centamin also has small deposits in euro (US$257,032) and West African franc (US$578,174), and net payables of US$1,318,055 in euro and US$1,336,279 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 profit after tax for the year. The analysis assumes that the average realised gold price per ounce had increased/decreased by 10% with all other variables held constant.

	Decrease by 10%	**31 December 2019**	Increase by 10%
	US$/oz	**US$/oz**	US$/oz
Average realised gold price	1,259	**1,399**	1,539
	US$'000	**US$'000**	US$'000
Profit after tax	114,069	**172,917**	241,609

Fuel price

Any variation in the fuel price has an impact on the mine production costs. The analysis assumes 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 2019**	Increase by 10%
	US$/litre	**US$/litre**	US$/litre
Fuel price	0.53	**0.59**	0.65
	US$'000	**US$'000**	US$'000
Mine production costs	(342,248)	**(351,745)**	(361,242)

(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 the balance sheet 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 2019				
Financial assets				
Variable interest rate instruments	**1.32**	**162,360**	**110,790**	**273,149**
Non-interest bearing	—	**57,853**	—	**57,853**
		220,213	**110,790**	**331,003**
Financial liabilities				
Non-interest bearing	—	**57,567**	—	**57,567**
		57,567	—	**57,567**
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

(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 all currencies are held with financial institutions with a high credit rating.

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

(g) Fair value

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

(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).

	2019			
	Level 1	**Level 2**	**Level 3**	**Total**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Financial assets at fair value through profit or loss	**6,454**	**—**	**—**	**6,454**

	2018			
	Level 1	Level 2	Level 3	Total
	US$'000	US$'000	US$'000	US$'000
Financial assets at fair value through profit or loss	—	—	—	—

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 statements understand the judgments made about the future and other sources of estimation uncertainty. The key sources of estimation uncertainty described in note 1.3.4 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$'000	**31 December 2019 US$'000**	Increase by 10% US$'000
Amortisation of rehabilitation asset (within mine development properties)	(910)	**(819)**	(737)
Amortisation of mine development properties (remainder)	(44,804)	**(40,323)**	(36,291)
Mine development properties – net book value	284,600	**289,171**	293,285
Property, plant and equipment – net book value	800,146	**804,717**	808,831

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 2019 US$'000	31 December 2018 US$'000
Ordinary shares		
Final dividend for the year ended 31 December 2018 of 3.0 US cents per share (2017: 10 US cents per share)	**34,672**	115,629
Interim dividend for the year ended 31 December 2019 of 4.0 US cents per share (2018: 2.5 US cents per share)	**46,357**	28,938
Total dividends provided for or paid	**81,029**	144,567
Dividends to owners of the parent:		
Paid in cash	**81,029**	144,567

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	
		31 December	31 December
	Country of	**2019**	2018
	incorporation	**%**	%
Centamin Egypt Limited	Australia(2)	**100**	100
Pharaoh Gold Mines NL (holder of an Egyptian branch)	Australia(2)	**100**	100
Sukari Gold Mining Company	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
MHA Limited	Jersey(8)	**100**	—
Centamin Limited	Bermuda(7)	**100**	100
Ampella Mining Limited	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: Suite 8, 7 The Esplanade, 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.

4.2 Joint arrangements

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

	Percentage interest	
	31 December	31 December
	2019	2018
Name of joint operation	**%**	%
Egyptian Pharaoh Investments[1]	**50**	50

(1) Dormant company.

The Group has a US$1 (cash) interest in the above joint operation. The amount is included in the consolidated financial statements of the Group. There are no capital commitments arising from the Group's interests in 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 1.3.1).

5. Unrecognised items

5.1 Contingent liabilities and contingent assets

Contingent liabilities

Fuel supply

As set out in note 2.8, 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 Egyptian General Petroleum Corporation ("EGPC"). It is further understood that EGPC itself issued this instruction because it had received legal advice from the Legal Advice Department of the Council of State (an internal government advisory department) that 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$25.3 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$362.9 million. Refer to note 2.8 of these financial statements for further details on the impact of this provision on the Group's results for 31 December 2019.

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 judgment in relation to a claim brought by, amongst others, an independent member of a previous parliament, in which he argued for the nullification of the agreement that confers on the Group rights to operate in Egypt. This agreement, the Concession Agreement, was entered into between the Arab Republic of Egypt, the Egyptian Mineral Resources Authority and Centamin's wholly owned subsidiary Pharaoh Gold Mines NL and was approved by the People's Assembly as Law 222 of 1994.

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

Upon notification of the judgment the Group took various steps to protect its ability to continue to operate the mine at Sukari. These included lodging a formal appeal before the Supreme Administrative Court on 26 November 2012. In addition, in conjunction with the formal appeal the Group applied to the Supreme Administrative Court to suspend the initial decision until such time as the court was able to consider and rule on the merits of the appeal. On 20 March 2013, the Court upheld this application thus suspending the initial decision and providing assurance that normal operations would be able to continue whilst the appeal process 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 2018: nil).

5.2 Dividends per share
The dividends paid in 2019 were US$81,029,238 and are reflected in the consolidated statement of changes in equity for the year (2018: US$144,567,233).

Given the unprecedented global situation with COVID-19, regulators, governments and public health authorities have issued varying directives which have impacted the timing and structure of 2020AGM. As such the opportunity for shareholders to approve the proposed 2019 final dividend cannot go ahead with the previously announced timetable.

After much consideration, and in order to ensure the dividend payment can be made to shareholders in May 2020, the Board have resolved on 21 April 2020 to declare a 2020 first interim dividend to replace the 2019 final dividend. The 2020 first interim dividend is for 6 US cents per share (US$64.9 million), the same quantum as the previously proposed 2019 final dividend (announced on 14 January 2020), and will not be subject to shareholder approval.

The Board acknowledge the importance of the governance framework, which allows shareholders to exercise their voting right to approve a final dividend. And since introducing the Centamin dividend policy, the final dividend has received in excess of 99% of votes in favour.

The Company's obligations as a dual listed company on the London Stock Exchange (LSE) and Toronto Stock Exchange (TSX) were thoroughly considered and declaring a 2020 first interim to replace the previously proposed 2019 final dividend was considered the best option for shareholders. This is an exceptional circumstance and will not impact future dividend distributions, in line with the Company's dividend policy. These financial statements do not reflect this dividend payable.

As announced on 9 January 2017, the update to the Company's dividend policy sets a minimum payout level relative to cash flow while considering the financial condition of, and outlook for, the Company. When determining the amount to be paid, the Board will take into consideration the underlying profitability of the Company and significant known or expected funding commitments. Specifically, the Board will aim to approve an annual dividend of at least 30% of the Company's net cash flow after sustaining capital costs and following the payment of profit share due to the government of Egypt.

5.3 Subsequent events
As referred to in note 5.2, subsequent to the year end, the Board have resolved to declare a 2020 first interim dividend to replace the 2019 final dividend. The 2020 first interim dividend is for 6 US cents per share (US$64.9 million), the same quantum as the previously proposed 2019 final dividend (announced on 14 January 2020), and will not be subject to shareholder approval, the first interim dividend was paid on 15 May 2020 to shareholders.

The outbreak of the coronavirus COVID-19 will likely have an impact on the Group as well as on supply chain and production. Considering that the spread of the virus accelerated during the first quarter of 2020 and its impact as at 31 December 2019 was minimal, this event was classified as a non-adjusting event for accounting purposes. Given the uncertainties on scope and length as well as the ongoing developments, the Group cannot give any accurate or reliable estimates on potential quantitative impacts currently. This may result in an overall challenged and volatile market environment. The assessment on the ability of the Group to operate as going concern is disclosed under note 1.3.7.

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

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 is set out below:

	31 December 2019 US$	31 December 2018 US$
Short term employee benefits	**5,906,929**	5,731,721
Post-employment benefits	**7,311**	7,969
Share-based payments	**1,919,602**	2,398,039
	7,833,841	8,137,729

(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 2019 are as follows:

31 December 2019	Balance at 1 January 2019	Granted as remuneration ("DBSP")	Granted as remuneration ("PSP")	Net other change - share plan lapse[1]	Net other change[2]	**Balance at 31 December 2019**
J El-Raghy[3]	10,500,000	—	—	—	—	10,500,000
A Pardey	3,789,268	—	777,000	(414,000)	—	4,152,268[4]
R Jerrard	1,805,000	—	617,000	(525,000)	—	1,897,000[4]
G Haslam	127,056	—	—	—	—	127,056
M Arnesen	49,000	—	—	—	—	49,000
M Bankes	190,000	—	—	—	—	190,000
S Eyre	—	—	—	—	—	—
M Cloete	—	—	—	—	15,000	15,000
C Farrow	—	—	—	—	—	—
A Baker	—	—	—	—	—	—
I Fawzy	—	—	—	—	—	—
Y El-Raghy	763,662	—	114,000	(84,000)	—	793,662[4]
J Langford	—	—	905,000	—	—	905,000[4]
M Morcombe	880,000	—	—	(880,000)	—	—
J Singleton	—	—	546,000	—	—	546,000[4]
N Bailie	316,000	—	197,000	—	—	513,000[4]
M Smith	799,334	—	190,000	(162,000)	—	827,334[4]
A Carse	216,336	—	169,000	—	—	385,336[4]
D Le Masurier	576,000	—	127,000	(96,000)	—	607,000[4]
H Brown	142,500	—	—	(36,000)	(24,000)	82,500[4]
R Nel	120,000	—	110,000	—	—	230,000[4]

(1) "Net other change - share plan lapse" relates to awards that have lapsed due to the full performance conditions not being met on the 2016 grant.

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

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

(4) Balance includes unvested grants under the Company's performance share plan.

Since 31 December 2019 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 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.

(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 2019 are summarised below:

- salaries, superannuation contributions, bonuses, LTIs, consulting and Directors' fees paid to Directors during the year ended 31 December 2019 amounted to US$3,507,050 (31 December 2018: US$3,951,939); and
- Josef El-Raghy is a Director and shareholder of El-Raghy Kriewaldt Pty Ltd ("El-Raghy Kriewaldt"). El-Raghy Kriewaldt provided office premises to the Company. All dealings with El-Raghy Kriewaldt are in the ordinary course of business and on normal terms and conditions. Rent and office outgoings paid to El-Raghy Kriewaldt during the period were AUDnil or US$nil (31 December 2018: AUD26,100 or US$21,013), this lease ended in May 2018.

(f) Transactions with the government of Egypt

Royalty costs attributable to the government of Egypt of US$19,700,850 (2018: US$18,396,045) were incurred in 2019. Profit share to EMRA of US$87,075,000 (2018: US$76,390,698) was incurred in 2019.

(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 statements 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). Twenty-six 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 2019 US$'000	31 December 2018 US$'000
Gold purchased	**35,641**	33,821
Refining costs	**19**	20
Freight costs	**53**	48
	35,713	33,889

	31 December 2019 Oz	31 December 2018 Oz
Gold purchased	**25,721**	26,621

At 31 December 2019 the net payable in EGP owing to the Central Bank of Egypt is approximately the equivalent of US$30,893 (2018: US$40,618 net receivable owing from CBE).

(b) University grant

During the 2018 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 programme of the geology department of the university for their MSc and/or PhD 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. This amount has been expensed under donations expense in profit and loss.

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 2020 AGM bringing the plan rules in line with best practice and expectations of institutional investors. Full details of the proposed changes are set out in the Directors' remuneration report and 2020 AGM notice.

The awards due to be granted in June 2020 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:

<u>June 2016 awards</u>

Of the 4,999,000 awards granted on 4 June 2016 under the PSP, 1,232,400 awards vested to 20 eligible participants on 4 June 2019, 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;
- 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 EBITDA; and
- 30% of the award shall be assessed by reference to compound growth in gold production.

<u>June 2017 awards</u>

Of the 3,459,000 awards granted on 4 June 2017 under the PSP, 2,511,000 awards remain granted to eligible participants (30 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 EBITDA; 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 2018 under the PSP, 3,307,000 awards remain granted to eligible participants (33 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 EBITDA; and
- 40% of the award shall be assessed by reference to compound growth in gold production.

June 2019 awards

Of the 4,845,000 awards granted on 14 June 2019 under the PSP, 4,003,000 awards remain granted to eligible participants (17 in total) applying the following performance criteria:

- 50% of the award shall be assessed by reference to a target total shareholder return;
- 25% of the award shall be assessed by reference to compound growth in adjusted free cash flow; and
- 25% 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 2019 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 awarded to certain participants, 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 2019
Grant date	14 June 2019
Number of instruments	2,413,000
TSR: fair value at grant date GBP(1)(2)	0.53
TSR: fair value at grant date US$(1)(2)	0.67
Adjusted free cash flow and gold production: fair value at grant date GBP(1)(2)	0.94
Adjusted free cash flow and gold production: fair value at grant date US$(1)(2)	1.19
Vesting period (years)	3
Holding period applicable to 50% of the award (years)(2)	2
Expected volatility (%)	44.85
Expected dividend yield (%)	—
Number of instruments	2,432,000
TSR: fair value at grant date GBP(1)	0.61
TSR: fair value at grant date US$(1)	0.77
Adjusted free cash flow and gold production: fair value at grant date GBP(1)	1.09
Adjusted free cash flow and gold production: fair value at grant date US$(1)	1.38
Vesting period (years)	3
Holding period applicable to 50% of the award (years)	—
Expected volatility (%)	44.85
Expected dividend yield (%)	—

(1) The vesting of 50% 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 50% of the awards are subject to adjusted free cash flow 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.

(2) A discount for lack of marketability has been applied to account for the decrease in value of the award by reason of the two year holding period restriction.

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.

There were no DBSP awards granted during the period.

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. A discount for lack of marketability has been applied to account for the decrease in value of the award by reason of the two year holding period restriction. 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 2019 US cents per share	31 December 2018 US cents per share
Basic earnings per share	**7.588**	6.497
Diluted earnings per share	**7.535**	6.444

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 2019 US$'000	31 December 2018 US$'000
Earnings used in the calculation of basic EPS	**87,463**	74,845

	31 December 2019 Number	31 December 2018 Number
Weighted average number of ordinary shares for the purpose of basic EPS	**1,152,715,180**	1,151,925,674

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 2019 US$'000	31 December 2018 US$'000
Earnings used in the calculation of diluted EPS	**87,463**	74,845

	31 December 2019 Number	31 December 2018 Number
Weighted average number of ordinary shares for the purpose of basic EPS	**1,152,715,180**	1,151,925,674
Shares deemed to be issued for no consideration in respect of employee options	**8,011,425**	9,589,301
Weighted average number of ordinary shares used in the calculation of diluted EPS	**1,160,726,605**	1,161,514,975

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 2019 US$'000	31 December 2018 US$'000
Fees payable to the Company's auditors and their associates for the audit of the Company's annual financial statements	**469**	370
Fees payable to the Company's auditors and their associates for other services to the Group		
– the audit of the Company's subsidiaries	**74**	95
– regulatory enquiries	—	78
Total audit fees	**543**	543
Non-audit fees:		
Audit related assurance services – interim review	**112**	104
Other assurance services	—	9
Risk management and advisory services	**154**	53
Other services	**38**	1
Total non-audit fees	**304**	167

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 governance report and the strategic report of the annual report.

6.7. Summary of significant accounting policies

Basis of preparation

These financial statements are denominated in US dollars ("US$"), which is the presentational currency of Centamin plc. All companies in the Group use the US$ as their functional currency. All financial statements presented in US dollars have been rounded to the nearest thousand dollars, unless otherwise stated.

These financial statements have 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 2019, 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 statements have 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 or loss.

The consolidated financial statements for the year ended 31 December 2019 were authorised by the Board of Directors of the Company for issue on 18 May 2020.

Principles of consolidation

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

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

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

Sukari Gold 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 1.3.1 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 statements for the year ended 31 December 2019 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 judgment of the Administrative Court of first instance in relation to, amongst other matters, the Company's 160km^2 exploitation lease. In relation to the first decision, the Company remains confident that in the event that it is required to continue to pay international prices, the mine at Sukari will remain commercially viable. Similarly, the Company remains confident that the appeal it has lodged in relation to the decision of the Administrative Court will ultimately be successful, although final resolution of it may take some time. On 20 March 2013 the Supreme Administrative Court upheld the Company's application to suspend the decision until the merits of the Company's appeal were considered and ruled on, thus providing assurance that normal operations will be able to continue during this process.

In the unlikely event that the Group is unsuccessful in either or both of its legal actions, and that the operating activities are restricted to a reduced area, it is the 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 statements.

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

DISCLAIMERS

The person responsible for the release of this announcement on behalf of Centamin is Josef El-Raghy, Chairman.

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 report 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 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.

As set out in the Strategic report, at the date of this report, COVID-19 has significantly impacted the world, presenting an unprecedented medical, economic and social challenge. Centamin has been proactive in how it manages and mitigates the impacts within its control. As of 18 May 2020, Centamin has no recorded cases of COVID-19 on-site and has experienced no material disruption to operations, supply chain or gold shipments. The Company has, however, put in place contingency plans to deal with various possible disruption in the coming months.

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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