For immediate release

31 January 2018

CENTAMIN

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

Centamin plc results for the year ended 31 December 2017 and full year dividend declaration

Josef El-Raghy, Chairman of Centamin, commented: "Testament to the quality of our team and the quality of our assets, the past year has seen the Company firmly consolidate its position as one of the world's leading low cost gold producers. The Sukari Gold Mine produced 544,658 ounces of gold in 2017, at a cash cost of production of US$554/oz and all-in sustaining cost of US$790/oz at an average realised gold price of US$1,261/oz, generating US$676 million in revenue, US$326 million in EBITDA and US$224 million in pre-tax profits. Commercially in operation for eight years, Sukari has maintained cash costs in the lowest quartile in the industry, averaging US$614/oz since commercial production commenced in 2010.

The central tenet of our corporate strategy is delivering returns to stakeholders. Following a strong operational and financial performance throughout the year, the board of directors is delighted to propose a final dividend for 2017 of 10 US cents per share, for approval at the forthcoming Annual General Meeting on 26 March 2018. This represents a proposed full year dividend of 12.5 US cents per share, totalling a full year pay-out of US$144 million, which is equivalent to approximately 100% of our free cash flow in 2017."

Financial Highlights[(1),(2)]

Fourth Quarter, ending 31 December 2017.

- Cash costs of production of US$453 per ounce, a 6% improvement quarter on quarter ("QoQ") on Q3 2017 and a 15% improvement year on year ("YoY) on Q4 2016, driven predominantly by an increase in ounces produced. The benefits of an increase in produced ounces (driven by increases in processed tonnes and grade) was slightly offset by an increase in fuel and reagent costs;
- All-in sustaining costs ("AISC[(1)]") of US$744 per ounce sold, were 2% higher QoQ and 3% higher YoY, mainly due to increased production costs and higher sustaining capital costs as a result of the planned fleet rebuilds.

Full Year, ending 31 December 2017

- Strong cash flow generation with US$142 million of free cash flow[(1)] generated in 2017, down 41% on the prior year (2016: US$242 million) almost entirely due to the impact of increased profit share payments;
- 2017 revenues of US$676 million were down 2% on the prior year (2016: US$687 million) with a 0.4% increase in realised gold prices offset by a decrease in gold sales;
- Cash costs increased to US$554 per ounce produced (2016: US$513), driven predominantly by an increase in mined and processed tonnes and an increase in fuel and reagent costs;
- AISC[(1)] of US$790 per ounce sold matched our forecast but was an increase on the prior year (2016: US$694), mainly due to increased production costs and higher sustaining capital costs resulting from planned fleet rebuilds;
- EBITDA[(1)] decreased by 13% to US$326 million, as a result of increased production and operating costs and the slight decrease in revenues;
- Profit before tax decreased by 16% to US$224.1 million, due to the factors outlined above;
- Earnings per share after profit share of 9.51 US cents were down 49% on the prior year due to lower revenue, higher costs and, most significantly, the impact of the first full year of profit share (2016: 18.71 US cents);
- Operational cash flow of US$359 million was 2% lower than 2016, due to the lower gold production base with higher gold prices offset by a higher cost base;
- Total capital expenditure for 2017 of US$107.5 million was a 2% increase on the prior year (2016: US$105.6 million). The US$19 million increase in sustaining capital (including the scheduled fleet rebuild programme) was largely offset by a US$17 million reduction in the non-sustaining capitalised exploration costs across the group;
- Cash and liquid assets [(3)] of US$418 million at 31 December 2017; and
- Centamin remains debt-free and unhedged.

Proposed Final Dividend

- Subject to shareholder approval at the Company's annual general meeting on Monday 26 March 2018:
    - Proposed final dividend of 10 US cents per share (US$115.2m);
    - Total dividend of 12.5 US cents per share, including the interim dividend of 2.5 US cents per share (paid out 29 September 2017);
    - Proposed total dividend pay-out of approximately US$144 million, equivalent to approximately 100% of free cash flow in 2017; and
    - Record date on 23 March 2018; Pay date on 6 April 2018.

Operational Highlights [(1),(2)]

- Full year gold production was 544,658 ounces, above guidance of 540,000 ounces and 1% decrease year on year ("YoY");
- Record processing throughput of 12.0Mt, a 4% improvement YoY and above our base case forecast rate of 11.8 Mtpa.
- Record open pit total material movement (waste plus ore) of 70.9Mt, a 14% improvement YoY.
- Record open pit ore production of 16.09Mt, a 47% improvement YoY, at an average mined grade of 0.66g/t. This included 3,965kt at 0.29g/t delivered to the dump leach pads. The average head grade to the plant from the open pit was 0.89g/t, a 6% decrease YoY; and
- Total underground ore mined of 1.14Mt, a 12% improvement YoY, at a grade of 8.28g/t, an 8% decrease YoY, marking the third consecutive year of sustained annualised rate above our base case forecast of 1Mt per annum.
    - Underground ore from stoping was 684kt, a 21% increase YoY, at a grade of 8.88g/t;
    - Underground ore from development was 461kt, a 1% increase YoY at a grade of 7.39g/t.

Exploration Highlights

- Exploration at Sukari drives high grade underground reserve expansion in excess of annual depleted mined ounces;
- Exploration success in Côte d'Ivoire has expanded last year's maiden resource at Doropo Project to 1.35Moz gold Indicated and 0.9Moz gold Inferred, with the main structure remaining open;
- Exciting new discovery at the ABC Project in Côte d'Ivoire where exploration delineated an outcropping 12km strike-length gold bearing structure; and

  In Burkina Faso, drilling targeted resource and reserve expansion near Konkera.

2018 Outlook

- Forecast gold production for 2018 is 580,000 ounces, a 6.5% increase on 2017 actual production, with the mine plan forecasting a relatively balanced quarterly production profile over the year;
- Forecast cash cost of production for 2018 of US$555 per ounce and all-in-sustaining cost of US$770 per ounce;
- 2018 capital expenditure of US$135 million including US$37.5 million for non-sustaining exploration;
- Processing plant throughput of 12.3Mtpa, with the installation of the fourth secondary crusher increasing capacity;
- 70.5Mt total open pit material scheduled to be mined; 17.7Mt total open pit ore scheduled to be mined at an overall grade of 0.70g/t including dump-leach and stock-pile material, with open pit feed grade in line with open pit reserve grade;
- Open pit mining activities will be focused on Stage 4A of the north wall, the predominant source of ore over the next five years;
- 1.3Mt total underground ore scheduled to be mined at a grade of 7.2 g/t; comprising a 65:35 split between stoping and development ore, respectively;
- Ongoing decline development and exploration at Cleopatra, to access the high grade western contact, a key near term growth catalyst; Ongoing underground decline development at Amun and Ptah, to access the Horus, Bast and Osiris zones, which are key drivers of medium term growth;
- Four exploration rigs allocated to focus on underground reserve replacement and resource expansion drilling as the orebody remains open in multiple directions;
- Further resource development in West Africa, with resource expansion and definition continuing at the Doropo Project in north-east Côte d'Ivoire and resource definition drilling in Burkina Faso; and
- Follow up exploration work continues after encouraging first pass drill results from the ABC project in western Côte d'Ivoire delineated an outcropping 12km strike gold bearing structure.

Legal Developments in Egypt

- The Supreme Administrative Court appeal and Diesel Fuel Court Case are both on-going. With the potential for the legal process in Egypt to be lengthy there may be a number of hearings and adjournments before decisions are reached. There were no developments during the year in the two litigation actions.

		Q4 2017	Q4 2016	**2017**	2016
Gold produced	ounces	**154,298**	136,787	**544,658**	551,036
Gold sold	ounces	**153,490**	130,959	**539,726**	546,630
Cash cost of production	US$/ounce	**453**	536	**554**	513
AISC	US$/ounce	**744**	720	**790**	694
Average realised gold price	US$/ounce	**1,278**	1,207	**1,261**	1,256
Revenue	US$'000	**190,413**	158,307	**675,510**	687,387
EBITDA	US$'000	**103,301**	81,762	**325,927**	372,885
Profit before tax	US$'000	**81,351**	58,870	**224,094**	266,829
Basic EPS	US cents	**3.81**	3.17	**9.51**	18.71
Capital expenditure including exploration	US$'000	**33.4**	25.7	**107.5**	105.6
Cash generated from operations	US$'000	**113,454**	69,869	**358,811**	366,295

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

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

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

Results Presentation and Conference Call
Centamin will host a Results Presentation for investors and analysts, today, Wednesday, 31 January 2018, at 09.00 GMT, at Buchanan Communications offices, 107 Cheapside, London EC2V 6DN.

Participants unable to attend can dial-in remotely with the following details. The presentation and associated videos will be made available on the company website from 09.00 GMT http://www.centamin.com/investors/presentations/2018

UK Toll: 02034281542
UK Toll Free: 08082370040
Participant Code: 63780277#
Webcast link: http://vm.buchanan.uk.com/2018/centamin310118/registration.htm

A replay of the conference call/webcast will be made available on the company website www.centamin.com from 12.00 GMT (07.00 EST).

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

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Chairman's statement

Dear Shareholders,

On behalf of the board, it gives me pleasure to present the 2017 results.

Strength throughout the cycle

Testament to the quality of our team and the quality of our assets, the past year has seen the Company firmly consolidate its position globally as one of the leading low cost gold producers. The Sukari Gold Mine produced 544,658 ounces of gold in 2017, at cash costs of US$554/oz and all-in sustaining costs of US$790/oz at an average realised gold price of US$1,261/oz, generating US$676 million in revenue, US$326 million in EBITDA, US$224 million in pre-tax profits. Commercially in operation for eight years, Sukari has maintained year on year cash costs in the lowest quartile in the industry, averaging US$614/oz since commercial production commenced in 2010.

Our aim is to deliver strong performance under any market conditions. In what has been a more challenging market, Centamin's stringent cost reduction strategies and working capital efficiencies have enabled the Company to generate strong all-in sustaining margins of US$471/oz, down from US$562/oz in 2016, generating significant cash flow of US$359 million, only marginally lower than the US$366 million achieved in 2016. A 24% increase in fuel costs combined with a scheduled 30% increase in sustaining capital expenditure in 2017 (largely due to equipment rebuilds), were offset by reductions in non-sustaining exploration expenditure and cost reduction strategies delivering all-in sustaining costs of US$790/oz, exactly in line with guidance for 2017. The increase in production costs and the slight decrease in produced ounces led to an 8% increase in unit cash costs of production to US$554/oz for 2017, well below our US$580/oz guidance for 2017 and extremely competitive within the global gold industry.

Consistent strategy

Over the past twenty years the Company has been committed to building a modern gold mining industry in Egypt, a country which straddles the economic diversity of Africa and the Middle East, a strategically vital economy in a region that has been associated with several significant challenges, and a country located on one of the last remaining underdeveloped gold belts, the Arabian Nubian Shield. There have been various public views expressed about Egypt in the international arena that simply do not correlate with the experience that Centamin has had, as one of the largest foreign investors in this dynamic country. Having worked closely with Centamin since its founding, particularly with my father and family, through to today's highly experienced Board, Centamin has put Egypt firmly on the map of gold exporting countries. Significantly, Sukari has produced every single commercial ounce of gold that Egypt has exported over the past eight years, which by the end of 2017 stood at over 2.9 million ounces.

The modern infrastructure and operations established at Sukari, supported by a minimum of 20- year mine life with untapped underground resource upside, provide the solid foundation from which Centamin will continue to generate meaningful cash flow. Our robust balance sheet, which remains debt free, allows us to continue investing in future growth – whether that is organically across our portfolio of assets and/or through seizing value accretive opportunities which are in line with our strategic objectives.

Delivering substantial stakeholder returns

Free cash flow generation is the fundamental driver of the business, allowing the Company to prioritise stakeholder returns. The success of Sukari, which today employs over 1,350 Egyptian nationals directly and many more indirectly throughout its supply chain, is further underpinned by direct cash returns to date to the Egyptian State of US$272 million through royalties and profit share (excluding taxes on salaries, fuel and other sources of fiscal revenue). In total, the Company, with the support of its shareholders, has directly invested, and fully recovered, more than US$1.1 billion into the Egyptian economy. This simply could not have happened without the patient support from our Egyptian stakeholders, who have benefited from seeing Sukari grow from an exploration licence into one of the largest gold producing mines in the world.

In July, we declared an interim dividend of 2.5 US cents per share, a 25% increase on the 2016 interim payment. Following another year of strong operational and financial performance, including paying out US$112m in profit share, the board of directors are delighted to propose a final dividend for 2017 of 10 US cents per share, for approval at the forthcoming Annual General Meeting on 26 March 2018. This represents a proposed total dividend of 12.5 US cents per share, full year pay-out of US$144 million, which is equivalent to approximately 100% of our free cash flow in 2017. This level of payment is consistent with the Company's policy of returning cash in excess of US$250-300m that is not required for growth projects.

Board and management changes

Our commitment to robust corporate governance and the disciplined execution of our fiduciary duties forms a core pillar to Centamin and, in order to grasp the opportunities that lie in front of Centamin, the Company has striven to improve on every aspect of its business beyond simply producing profitable gold ounces and lowering cash costs. In this regard, we are delighted to welcome Alison Baker as an independent Non-Executive Director to the board. Alison will play an important part in the ongoing development of our corporate governance initiatives. We also warmly welcome Ross Jerrard to the board as Chief Financial Officer. Ross joined Centamin's senior management team in 2016 as Chief Financial Officer, and has been instrumental in transforming our reporting systems throughout the group. Lastly, I am delighted to welcome Mark Morcombe to the senior management team, as Chief Operating Officer. Mark is a very accomplished, well respected mining engineer, who brings a vast amount of relevant African open pit and underground experience.

Chairman's statement

Under the strong stewardship of your CEO, Andrew Pardey, who helped build Sukari in his various roles, including as General Manager and then COO, I believe that the Company is in a position of considerable strength to see sustainable and consistent growth over the coming years. The Board has embarked on the process, with an executive search firm, of finding an independent Non-Executive Chairman to succeed me. As announced recently, it is my intention to resign from my position no later than the end of December 2018, and continue my support of Centamin as a committed shareholder. I want to thank the Board for their support during my tenure and I wish them well for what remains an exciting future for the Company.

On that note, I thank all shareholders for their support over the years, which has seen Centamin grow from a small Australian listed exploration company into one of the largest gold producers listed on the London and Toronto Stock Exchanges. We welcome you to attend our AGM, which will be held in Jersey on 26 March 2018. I would also like to thank all of our incredible staff whose contributions have made the Company what it is today.

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

Josef El-Raghy
Chairman

31 January, 2018

Dividend information

Final Dividend

The Directors proposed a final dividend of 10 US cents per share on Centamin plc ordinary shares (totalling approximately US$115 million) for a full year total of 12.5 US cents per share for a totally pay-out of US$144 million. The final dividend for 2017 will be paid to shareholders on 6 April 2018, subject to shareholder approval at the AGM to be held in Jersey on 26 March 2018. The dividend will be paid to shareholders on the register on the Record Date of 23 March 2018.

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

London Stock Exchange and Toronto Stock Exchange (T+2)
EX-DIV DATE: 22 March 2018
RECORD DATE: 23 March 2018
LAST DATE FOR RECEIPT OF CURRENCY ELECTIONS: 26 March 2018
PAY DATE: 6 April 2018

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

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

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

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

The last date for shareholder currency elections and dividend mandates to be received by the Company will be 26 March 2018. The currency conversion rate for those electing to receive Sterling will be based on the foreign currency exchange rates on 27 March 2018. The rate applied will be published on the Company's website on 28 March 2018.

Chief Executive Officer's report

Chief Executive Officer Statement

During 2017, Centamin successfully delivered against our strategic objectives to generate significant cash flow, maintain substantial stakeholder returns, deliver exploration led growth and ensure ongoing commitment to workplace safety.

In its eighth year of commercial production, Sukari enjoyed another strong year, producing 544,658oz, exceeding our guidance of 540,000oz. Integral to this success are our people. Safety is a critical area of Centamin's performance and our aim is to ensure that every person returns safe at the end of each shift. Continued onsite health and safety development has resulted in a circa 4% reduction in lost time injury frequency rate to 0.26. We continue to take the appropriate measures in striving to achieve a zero-harm workplace.

Driving productivity

This year marked another great year of operational milestones, as a result of our uncompromised commitment to continuous improvements to productivity and efficiency.

The open pit delivered a record 70.9Mt of material mined, a 14% increase on 2016, and the processing plant achieved record throughput of 12.0Mt, up 4% on 2016. Both mining and plant throughput volumes represent the eighth successive year of growth. Throughout 2017, ongoing improvements to the operation, utilisation and availability of our fixed assets have been a key driver in achieving these milestones. For example, renewed operator training has improved productivity of the loading fleet. Furthermore, pro-active, preventative maintenance and systems implementation to improve efficiency across procurement warehousing and plant and equipment maintenance throughout 2016 and 2017 has resulted in improved mining productivity throughout the year.

The increase in tonnes through the plant slightly impaired metallurgical recoveries, which were 88.1%, marginally below budget. Further optimisation on improving recoveries is underway. Projects undertaken include the installation of VisioFroth; the commissioning of a second acid wash column; an expansion of the elution circuit by installing a third elution column with supporting infrastructure and an extra electro winning cell; an automated control monitoring system that aims to increase the floatation mass pull; reducing the CIL tailings losses with improved carbon management and carbon monitoring techniques.

Creating value through the drill-bit

Centamin has an excellent exploration track record and 2017 was no different. Our updated Mineral Reserve and Resource statement of total reserves of 8.0Moz and Measured and Indicated Resources of 11.7Moz, as at 30 June 2017, reiterated the long-term sustainability of the Sukari open pit and the further expansion opportunities for the high grade underground operations.

Sukari underground drilling resulted in a 51% increase in underground reserves to 0.8Moz and a 74% increase in reserve tonnes to 4.7Mt. Underground exploration at Amun / Ptah was very successful during 2017, identifying potential high-grade zones at Horus and demonstrating the prospectivity of the Osiris and Bast sectors within the Amun zone and the gap between Anum and Ptah respectively.

Medium term organic growth at Sukari is likely to be driven by increased underground production levels, displacing lower-grade open pit ore. In particular, the Cleopatra exploration decline was advanced during the year to establish drill platforms within Sukari to test the contact zone at the northern end of the porphyry for similar mineralisation to that currently being mined at Amun / Ptah. Initial drill results confirmed the presence of prospective structures within the porphyry which may be used to target future development of the decline and the Company has today reported encouraging results from the contact zone between the porphyry and the surrounding meta-sedimentary rock. Drilling continues and will, over the course of 2018, guide future development plans for Cleopatra. Even though Cleopatra is an exploration project, the decline has been built to the same specification as Amun / Ptah with potential capacity of around 1Mtpa of additional underground ore, dependent on the results of the ongoing exploration programme.

West African developments

The resource at our Doropo project in Côte d'Ivoire has been increased from the maiden resource announced in January 2017 to 1.3Moz (contained gold) indicated and 0.95Moz inferred. This resource is located with an area of 25km^2 and within a comfortable haul from a potential central processing facility.

The Doropo resource is located within a granite domain that had previously been dismissed as not being prospective for significant gold mineralisation. The team in Cote d'Ivoire has successfully proved its ability to define a resource area that is still open and with further geochemical anomalies in the area that still need to be drill tested for further prospective gold mineralisation. Test work has continued to confirm that the gold from this area can be extracted using conventional CIL or heap leaching methods. Whilst undertaking this work in Doropo, the team has also been very active on the ABC project area on the west side of Cote d'Ivoire. Although at an early stage in the exploration pipeline, initial results from first pass drilling has confirmed a mineralised corridor of over 12 km in strike length.

Doropo and the ABC project have the potential to develop further as drilling continues and form part of the strong base for Centamin's exploration and development pipeline including Burkina Faso and the near mine targets at Sukari.

Chief Executive Officer's report

Strengthening established partnerships

Last year marked 22 years in partnership under our Concession Agreement with the Arab Republic of Egypt. Last year was also the first full year profit share payout to the government under our profit share arrangement. The smooth transition from US$1.1bn project cost recovery in late 2016 to this year's first full year US$112m profit share payout (totalling circa US$159 million paid to date), is testament to the strength of our established relationship with the Egyptian government and our excellent team and framework in place in Alexandria and Cairo, led by Youssef El-Raghy, the General Manager of Egyptian Operations.

As with any partnership, nurturing that relationship is paramount to its success. Centamin maintains regular Executive and Senior Management contact with respective government and industry partners, establishing open lines of communication throughout our Finance, Operations and in-country Corporate Affairs departments. We would like to thank our supportive stakeholders, and we look forward to the long-term relationship of substantial profit share resulting from the operation and growth of our world class asset.

The year ahead

We look forward to delivering solid growth in 2018 with gold production guidance of 580,000 ounces, a 6% increase over 2017 production, at a lower all-in sustaining cost of US$770/oz. Cash costs are expected to be US$555/oz, in line with 2017 actuals, driven by increased production offsetting expected higher fuel and reagent input costs.

With the installation of the fourth secondary crusher, we are targeting record processing plant throughput of 12.3Mt. The mine plan forecasts a relatively balanced quarter on quarter production profile throughout the year. The underground is scheduled to mine an increased 1.3Mt ore at a grade of 7.2 g/t; comprising a 65:35 split between stoping and development ore, respectively. The improvement in total tonnes from underground will be driven by increased stoping activities made possible by our focus on ensuring development is well advanced. Open pit mining activities will be focused on Stage 4A of the north wall. This is the predominant source of ore from the open pit over the next five years. The open pit is scheduled to move 70.5Mt of material and mine 17.7Mt ore at an overall grade of 0.70g/t including dump-leach and stock-pile material, with open pit feed grade in line with open pit reserve grade.

Underground exploration and development remains the key catalyst in near term organic production growth. Sukari exploration spend of over US$20 million is anticipated for 2018, with four rigs allocated to focus on underground reserve replacement and resource expansion drilling as the orebody remains open in multiple directions. The focus of our development will include the exploration decline at Cleopatra to access the high grade western contact of the porphyry as well as expanding decline development at Amun and Ptah, to access the Horus, Bast and Osiris zones, which we should drive our medium term growth strategy.

Finally, I would like to thank my colleagues for their hard work and contribution towards delivering another solid performance. Operating within a cyclical sector, in a fast changing world, Centamin has established an impressive track record of adapting, mitigating risks where appropriate, and delivery strong results. This resilience in our business model is testament to the strength of core values your Company is built upon and the experience and expertise of the people within it.

I would also like to thank our board of directors for their continued support and guidance, in particular our Chairman, Josef El-Raghy, who has announced his intention to retire at the end of 2018. As CEO and Chairman over the past 15 years, Josef has built a remarkable gold company. Centamin is in a very strong financial and operational position and we respect that this year is the right time for Josef to hand over the reins to a successor as we enter the next stage of growth in 2018 and beyond.

Andrew Pardey
Chief Executive Officer

31 January 2018

Operational review

Health and safety – Sukari
The Lost Time Injury Frequency Rate ("LTIFR") for 2017 was 0.26 per 200,000 man hours (2016: 0.27 per 200,000 man hours), with a total of 5,464,321 man hours worked during 2017 (2016: 5,187,635). Continued development of the onsite health and safety culture has resulted in improved reporting of incidents.

Centamin remains committed to further improving health and safety during 2018 towards our zero‑harm target. Further details of the safety initiatives, employee welfare and relevant government relations are set out in the CSR report which will be published in the 2017 annual report and accounts on 20 February 2018.

Open pit
The open pit delivered total material movement of 70.9Mt, a 14% increase on the prior year (62.2Mt in 2016). This increase was related to improved mining productivity and equipment utilisation. The strip ratio was 3.4, a reduction from 4.68 in 2016, as ore mining focused on the Stage 3B areas.

Ore production from the open pit was 16.1Mt at 0.66g/t, with an average head grade to the plant of 0.89g/t. The ROM ore stockpile balance increased by 1,607kt to 2,178kt by the end of the year. Ore mining was primarily from the Stage 3B area, which provided access to higher‑grade sulphide portions of the ore body during 2017.

In 2018, total material mined is forecast at 70.5Mt, with total ore mined of 17.7 Mt at a grade of 0.7 g/t. Total waste planned is 52.8Mt. The strip ratio is planned at 3.0. Mining activities will be focused in the mining area of Stage 4A with 70Mt of material planned with the remaining 0.5 Mt mined from Stage 3B during Q1 2018. Stage 4A will be the primary source of ore for the year providing 17.3 Mt at 0.68 g/t the ore mined for the year. Stage 3B will provide the balance of approximately 0.44Mt at 1.3 g/t. Stage 4A will continue to be predominant source of open pit ore until June 2021.

Underground mine
The underground mine produced 1.14Mt of ore, a 13% increase on the prior year (1.02Mt in 2016). Ore from stoping accounted for 60% (0.68Mt) of the total, with the balance of ore (0.46Mt) from development. The average mined head grade was 8.3g/t, above our 7.3g/t forecast. The average grade from stoping was 8.9g/t (9.1g/t in 2016) and the average grade from development was 7.4g/t (9.0g/t in 2016), a 2% and 18% decrease, respectively on the prior year.

During the second, third and fourth quarters production was increased to be closely aligned with a 1.3Mtpa run rate. Tonnage and lower-grade stockwork stopes on the western contact and in the central zone were produced predominantly together with stoping of a high grade lode in the Ptah. Stoping was shared between the eastern side of the deposit, where higher-grade mineralisation typically occurs in laminated quartz veins, with sulphide stockworks trailing out westward into the porphyry mass and the North / South dipping high grade quartz vein sitting amid haematite altered porphyry and meta-sediments at the Ptah.

Underground development advanced 6,981 metres, including progression of the Horus and Ptah declines. This development comprised 4,257 metres in Amun and 2,724 metres in Ptah.

The exhaust circuit for the Ptah and Horus declines was progressed, ensuring sufficient ventilation as both declines extends deeper into the ore body.

A total of 10,672 metres of grade control drilling were completed, aimed at short term mine planning and resource development. A further 33,800 metres of underground diamond drilling continued to test for reserve extensions below the current Amun and Ptah zones with extensive drilling also being undertaken at the Cleopatra zone of Sukari Hill. Further details and underground drilling results are discussed in the exploration section of this report.

Operational review

Processing

The Sukari plant processed a record 12.03Mt of ore in 2017, a 4.1% increase on the prior year (11.56Mt in 2016) and 2.4% above our 11.75Mt forecast. Productivity continued to increase throughout the year, with a record 3.1Mt processed during the fourth quarter, reflecting the ongoing improvement on availability and productivity of the circuit.

Metallurgical recovery averaged 88.1%, a 1.5% decrease on the prior year (89.4% in 2016). Work is continuing to optimise the operational controls and stability for flotation, the ultra-fine grinding and pyrite leach circuits to ensure recoveries are improved with a target rate of 89.5% at the increased rate of throughput.

The dump leach operation produced 8,597oz during the year.

The 2018 production guidance is based on a forecast production rate of 12.3Mt, with an annual average gold recovery of 89.6%. Grades are expected to remain steady throughout the year, averaging 1.60g/t.

Sukari Gold Mine production summary	**Year ended 31-Dec 2017**	**Q4 2017**	**Q3 2017**	**Q2 2017**	**Q1 2017**	**Year ended 31-Dec 2016**	**Q4 2016**
Open pit mining							
Ore mined[1] ('000t)	**16,090**	5,726	4,825	3,060	2,478	**10,949**	2,183
Ore grade mined (g/t Au)	**0.66**	0.62	0.76	0.76	0.47	**0.93**	0.85
Ore grade milled (g/t Au)	**0.89**	0.92	1.11	0.81	0.72	**0.95**	0.85
Total material mined ('000t)	**70,870**	17,647	18,602	17,493	17,129	**62,238**	15,810
Strip ratio (waste/ore)	**3.40**	2.08	2.86	4.72	5.91	**4.68**	6.24
Underground mining							
Ore mined from development ('000t)	**461**	130	113	119	99	**454**	103
Ore mined from stoping ('000t)	**684**	168	189	174	153	**565**	125
Ore grade mined (g/t Au)	**8.28**	8.80	7.98	8.79	7.44	**9.04**	10.43
Ore processed ('000t)	**12,032**	3,072	2,996	3,056	2,908	**11,559**	2,948
Head grade (g/t)	**1.57**	1.70	1.82	1.44	1.29	**1.65**	1.62
Gold recovery (%)	**88.1**	88.5	88.3	86.7	88.8	**89.4**	89.9
Gold produced - dump leach oz)	**8,597**	3,119	1,692	1,738	2,048	**9,872**	2,550
Gold produced - total[2] (oz)	**544,658**	154,298	156,533	124,641	109,187	**551,036**	136,787
Cash cost of production[3](US$/oz)	**554**	453	483	609	734	**513**	536
Open pit mining	**210**	160	180	234	286	**179**	198
Underground mining	**40**	34	33	41	55	**43**	46
Processing	**269**	224	244	296	347	**253**	254
G&A	**35**	35	26	38	46	**38**	38
AISC[3] (US$/oz)	**790**	744	732	829	887	**694**	720
Gold sold (oz)	**539,726**	153,490	150,273	120,912	115,052	**546,630**	130,959
Average realised sales price (US$/oz)	**1,261**	1,278	1,283	1,249	1,220	**1,256**	1,207

(1) Ore mined includes 2,064kt @ 0.32g/t delivered to the dump leach in Q4 2017 (117kt @ 0.21g/t in Q4 2016).

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

(3) Cash cost of production exclude royalties, exploration and corporate administration expenditure. Cash costs of production reflect a provision against prepayments to reflect the removal of fuel subsidies which occurred in January 2012 (refer to note 12 of the financial statements for further details).

(4) Cash cost of production and all-in sustaining costs are non-GAAP financial performance measures with no standard meaning under GAAP. Please see the financial review for details of non-GAAP measures.

Mineral reserve and resource statements

During the year, Centamin updated its mineral resource and mineral reserve estimates for the Sukari Gold Mine, as at 30 June 2017.

The total measured and indicated mineral resource estimate of 11.7Moz Au is reported as an open pit resource at a 0.3g/t cut−off grade. This total is inclusive of the 1.6Moz underground mineral resource. The open pit and surface stockpile mineral reserve estimate is 7.2Moz and the underground mineral reserve estimate is 5.4 million tonnes ("Mt") containing 0.8Moz gold.
The total combined open pit and underground mineral reserve estimate of 8.0Moz represents an increase in underground reserves offsetting total depleted ounces from the production of 1.0Moz between 30 June 2015 and 30 June 2017.

Operational review

Resource and reserve definition drilling continues to target higher grade areas of the Sukari deposit, in parallel with expanding underground infrastructure. Positive results from the ongoing drilling programmes are discussed in the following section.

Total Mineral Resource for the Sukari Gold Mine

As at 30 June 2017										
	Measured		**Indicated**		**Total measured & indicated**			**Inferred**		
Cut-off (g/t)	Tonnes (Mt)	Grade (g/t)	Tonnes (Mt)	Grade (g/t)	Tonnes (Mt)	Grade (g/t)	Gold (Moz)	Tonnes (Mt)	Grade (g/t)	Gold (Moz)
0.3	**240**	**1.02**	**145**	**0.84**	**385**	**0.95**	**11.75**	**25**	**0.80**	**0.64**
0.4	199	1.15	114	0.97	313	1.09	10.95	19	0.90	0.58
0.5	167	1.29	92	1.10	259	1.22	10.17	15	1.1	0.52
0.7	121	1.55	62	1.34	183	1.48	8.72	10	1.3	0.43
1.0	80	1.92	36	1.70	116	1.85	6.90	6	1.7	0.31
As at 30 June 2015										
0.3	**198**	**1.05**	**188**	**1.02**	**386**	**1.03**	**12.9**	**33**	**1.0**	**1.1**

Notes to table:

- *The effective date of the reserve and resource statement is 30 June 2017 or 30 June 2015 as relevant.*
- *Totals may not equal the sum of the components due to rounding adjustments.*
- *The mineral resource estimate is based on the open pit mined surface as at 30 June 2017 and adjusted for underground mine workings as at 30 June 2017.*
- *All available assays as at 30 June 2017.*
- *Resource data set comprises 311,419 two metre down hole composites and surface rock chip samples.*
- *Mineral resources are reported inclusive of those resources converted to Proven and Probable Mineral Reserves.*
- *The resources are estimates of recoverable tonnes and grades using Multiple Indicator Kriging with block support correction.*
- *Measured resources lie in areas where drilling is available at a nominal 25 x 25 metre spacing, Indicated resources occur in areas drilled at approximately 25 x 50 metre spacing and Inferred resources exist in areas of broader spaced drilling.*
- *The resource model extends from 9700mN to 12200mN and to a maximum depth of 0mRL (a maximum depth of approximately 1,000 metres below wadi level).*

Operational review

Underground mineral resource for the Sukari Gold Mine (included within the total resource above)

	As at 30 June 2017			As at 30 June 2015		
	Tonnes ('000 t)	**Grade (g/t)**	**Gold ('000 oz)**	Tonnes ('000 t)	Grade (g/t)	Gold ('000 oz)
Measured	**1,947**	**8.9**	**554**	1,850	6.5	390
Indicated	**5,492**	**6.0**	**1,065**	2,820	7.0	630
Total M&I	**7,439**	**6.8**	**1,619**	4,670	6.8	1,020
Inferred	**6,711**	**4.5**	**976**	6,970	5.6	1,240

Notes to table:

- *The effective date of the reserve and resource statement is 30 June 2017 or 30 June 2015 as relevant.*
- *Totals may not equal the sum of the components due to rounding adjustments.*
- *The mineral resource is reported above 2g/t within interpreted mineralised domains.*
- *The mineral resource estimate is depleted by underground mine workings as at 30 June 2017.*
- *All available information has been used including mapping from underground mining and assays as at 30 June 2017.*
- *Available resource data resulted in 41,277 one metre down hole composites used for grade estimation.*
- *The mineral resources were estimated utilising a single Indicator weighted Kriging method (IK) to estimate gold for each of the mineralisation domains.*
- *Measured mineral resources are defined by a drill spacing of at least 20m x 20m and confined to the interpreted mineralisation defined by underground mine development. Indicated Mineral Resources are defined as areas outside the measured mineral resource and defined by approximately 20m x 20m drill spacing. Inferred Mineral Resources include all remaining estimated mineralisation defined by a drill spacing of approximately 50m x 50m.*
- *Mineral resources are reported inclusive of those resources converted to Proven and Probable Mineral Reserves.*
- *The underground resource is located within the boundaries of the total resource, and is included within that total.*
- *For previous resource notes, please refer to Centamin press release dated 10 September 2015.*

Total Combined (Open Pit and Underground) Mineral Reserve for the Sukari Gold Mine.

	Proven		**Probable**		**Mineral Reserve**		
	Tonnes (Mt)	Grade (g/t)	Tonnes (Mt)	Grade (g/t)	Tonnes (Mt)	Grade (g/t)	Gold (Moz)
As at 30 Jun 2017 (1-4)	**170**	**1.02**	**74**	**1.01**	**244**	**1.00**	**8.0**
As at 30 Jun 2015 (5)	152	1.03	101	1.15	253	1.09	8.8

Notes to table:

- *The effective date of the reserve and resource statement is 30 June 2017 or 30 June 2015 as relevant.*
- *Totals may not equal the sum of the components due to rounding adjustments*

(1) *Total includes:*
- *Open pit mineral reserve = 229Mt @ 1.0g/t for 7.0Moz*
- *Underground mineral reserve = 5.4Mt @ 4.60g/t for 0.8Moz*
- *Stockpiles = 10Mt @ 0.50g/t for 0.2Moz*

(2) *Based on open pit mined surface as at 30 June 2017, underground mine workings as at 30 June 2017, and a gold price of US$1,300 per ounce*

(3) *Ultimate open pit design has a waste to ore ratio of 5.3:1.*

(4) *See additional notes in tables below for the underground and open pit mineral reserves*

(5) *As at 30 June 2015 at US$1,300 per ounce, please refer to Centamin press release dated 10 September 2015.*

Operational review

Open pit mineral reserve by classification

The component of the combined reserve, as outlined above, that relates to the open pit operation is summarised below.

	As at 30 June 2017			As at 30 June 2015		
	Tonnes (Mt)	**Grade (g/t Au)**	**Gold (Moz)**	Tonnes (Mt)	Grade (g/t Au)	Gold (Moz)
Proven	**159**	**1.02**	**5.2**	130	1.11	4.6
Probable	**70**	**0.80**	**1.8**	99	1.07	3.4
Stockpile – proven	**10**	**0.52**	**0.2**	21	0.42	0.3
TOTAL	**239**	**0.93**	**7.2**	250	1.03	8.3

Notes to Table:

- *The effective date of the reserve and resource statement is 30 June 2017 or 30 June 2015 as relevant.*
- *Totals may not equal the sum of the components due to rounding adjustments.*
- *Based on mined surface as at 30 June 2017 and a gold price of US$1,300 per ounce.*
- *Cut-off grades (gold): CIL oxide 0.35g/t, CIL transitional 0.35g/t, CIL sulphide 0.35g/t, dump leach oxide 0.2g/t.*
- *Designed underground reserves detailed below do not form part of the open pit reserve.*
- *For previous reserve notes, please refer to Centamin press release dated 10 September 2015.*

Underground mineral reserve by classification

The component of the combined reserve, as outlined above, that relates to the underground operation is summarised below.

	As at 30 June 2017			As at 30 June 2015		
	Tonnes (Mt)	**Grade (g/t Au)**	**Gold (‘000 oz)**	Tonnes (Mt)	Grade (g/t Au)	Gold (‘000 oz)
Proven	**0.7**	**8.5**	**200**	1.0	6.1	200
Probable	**4.0**	**4.4**	**569**	1.7	5.9	320
Sub-total	**4.7**	**5.1**	**769**	2.7	6.0	520
Development (probable)	**0.6**	**0.9**	**18**	0		
TOTAL	**5.4**	**4.5**	**787**	2.7	6.0	520

Notes to table:

- *The effective date of the reserve and resource statement is 30 June 2017 or 30 June 2015 as relevant.*
- *Totals may not equal the sum of the components due to rounding adjustments.*
- *Based on underground mine workings as at 30 June 2017.*
- *Long hole stopes for reserves estimation are designed using a 3.0g/t elevated cut-off and mining dilution applied at 15% @ 0.4g/t as all stopes are located in mineralised porphyry and 10% mining loss is then assumed to allow for stope bridges and material left in stopes after mining. For shallow dipping long hole stopes a 50% mining loss has been assumed*
- *Room and pillar stopes for reserves estimation are designed using a 3.0g/t elevated cut-off and mining dilution applied at 10% @ 0.8g/t as all stopes are located in mineralised porphyry and 40% mining loss is then assumed to allow for non-recovered pillars and material left in stopes after mining*
- *Mineral resources are reported inclusive of those resources converted to proven and probable mineral reserves.*

Operational review

Exploration

Sukari

Drilling from underground remains a focus of the Sukari exploration programme as new development provides improved access to test for high-grade extensions of the deposit. The ore body remains open to the north, south and at depth and further underground drilling of the Sukari deposit will take place during 2018, from across the existing and planned areas of development.

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

Amun

Hole number	Interval (m)	Au (g/t)
UGRSD0804	2.55	151.6
	1.0	337.2
UGRSD0805	3.4	21.3
UGRSD0806	3.2	79.5
UGRSD0808	1.1	41.1
	1.0	55.3
	2.2	49.2
	5.8	59.9
UGRSD0810	4.0	31.9
UGD3524	4.0	70.1
UGD3510	4.1	71.8

Bast

Hole number	Interval (m)	Au (g/t)
UGRSD0827	0.4	180.4
UGRSD0830	11.0	8.8
UGRSD0831	1.0	45.8
UGRSD0832	9.0	6.1
UGRSD0832	0.4	141

Ptah

Hole number	Interval (m)	Au (g/t)
UGRSD0123	1.8	86.8
UGRSD0135	1.9	419
	3.3	71.5
	2.0	163.2
	2.0	163.7
UGRSD0139	5.0	11.8
UGRSD0577	11.0	8
UGRSD0593_W1	2.0	20.2
UGRSD0829	4.0	82.1
UGRSD0902	2.6	24.3
UGRSD0139	1.0	11.8
UGRSD0832	0.4	141.0
	2.6	5.8
UGRSD0833	0.6	85.5
UGRSD0834	2.8	19.3
UGRSD0906	2.9	5.4
	5.0	8.4
	23.0	4.5
	15.0	5.3
UGRSD0908A	2.1	5.3
UGRSD0909	1.0	21.1

Cleopatra

Hole number	Interval (m)	Au (g/t)
CRSD004	2.65	8.5
CRSD007	3.35	13
CRSD011	0.8	569.5
	1.0	40.1

CRSD029	2.0	11.8
CRSD031	3.0	14.1
	2.05	9.5
CUD061	3.55	8.2
CUD062	16.6	4.4
CUD086	3.35	6.9
CRSD073	5.0	3.7
CRSD074	2.0	5.2
	3.0	3.6
CRSD077	1.6	7.7
CRSD078	3.0	4.7

Cleopatra exploration decline

The existing underground operations at Sukari have demonstrated that the western contact zone between the main porphyry and the surrounding metasedimentary rock units is highly prospective for high‑grade gold mineralisation. This contact has limited drilling in the north‑western portion of Sukari, where the porphyry is approximately 500 metres wide and access for surface drill rigs is limited.

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

Exploration development drives are exploring along the strike of the upper Cleopatra zone, and four drill sites have now been established in the centre of the porphyry for exploration drilling of the north. The drives will provide a large quantity of geological data in addition to that gained from the drilling.

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

The initial project development was structured in two phases. Phase 1 was started in Q3 2016 and was completed in Q1 2017 with 1,370 metres of development and 96,422 tonnes of mined material. This development produced 21,078 tonnes of low‑grade mineralised material. The first drill cuddy was established and exploration drilling commenced during December 2016. The drilling targeted westerly‑dipping dilation of stockwork porphyry which is located on the eastern contact.

Phase 2 is currently under way and has completed 1,008.9m of decline development and 100,671 tonnes of material mined. Drilling focused on exploring along the western and northern contacts in the north-western portion of the main porphyry.

A total of 22,149 m of exploration drilling has been completed for the Cleopatra decline by two LM90 drill rigs drilling from 3 of the established drill sites. In addition 2,311.9m of shorter exploration drill holes have been completed utilising the Mobile Carrier Drill Rig (MCR) to assist with defining the geometry of the higher grade shoots.

The Cleopatra decline has been engineered to support mining rates of up to 1Mtpa from this area. Ultimate production rates will depend on future results from the development, exploration drilling and further development. It will be in addition to the current underground ore production from the Amun and Ptah declines.

Other prospects

Whilst exploration remains focused on Sukari, there are seven other prospects that have been identified within the 160km^2 Sukari tenement area which are close enough such that ore could be trucked to the existing processing plant. No exploration drilling was completed on these prospects this year, however a thorough in-house prospectivity review has commenced with the objective of outlining new exploration plans for 2018.

Côte d'Ivoire

Centamin has ten permits covering circa 3,231km^2 and a further nine permits covering 3,187km^2 under application, the Côte d`Ivoire exploration team has been organised into three crews, one focused on development of the Doropo Project within the resource area, one focused on regional exploration around the Doropo Project and the third group is focused on regional exploration that commenced during the year on the west side of the country, resulting in the highly prospective discovery of the ABC Project.

Doropo Project

The Doropo resources span an area of 25km^2. In 2017, the exploration programme commenced by drilling the identified new targets from 2016 exploration programme. This successfully resulted in the discovery of Chegue South, Chegue Main and Enioda prospects. Continued systematic drill-testing and in-fill drilling of the prospects has extended the existing resource and identified new potential drill targets on Chegue. The Doropo resource has expanded rapidly and now stands at 1.35Moz at 1.3g/t in the indicated category and 0.90Moz at 1.2g/t in inferred, a significant increase in contained ounces from the maiden resource announced early in 2017.

A total of 62,716 RC meters, 4,880 diamond drill meters, including 1,069 diamond meters for metallurgical testing, were completed.

The new resource at Doropo is summarised in the tables below.

Mineral resource for Côte d'Ivoire

	0.5g/t cut off					
	Indicated			Inferred		
	Mt	Au (g/t)	Au (koz)	Mt	Au (g/t)	Au (koz)
Souwa	15.36	1.4	0.65	7.20	1.3	0.29
Nokpa	5.06	1.4	0.22	4.92	1.3	0.2
Chegue North	1.21	0.9	0.04	1.1	0.9	0.03
Chegue Main	1.13	1.2	0.04	1.19	0.9	0.03
Chegue South	4.6	1.4	0.2	3.55	1.1	0.12
Kekeda	2.04	1.2	0.07	2.01	1.2	0.07
Han	3.16	1.3	0.13	1.53	1.2	0.06
Enioda	-	-	-	3.24	0.9	0.1
Total	**32.55**	**1.3**	**1.35**	**24.91**	**1.2**	**0.90**

- The table shows a summary of the resource estimate using a cut-off of 0.5g/t Au at December 2017.
- Totals may not equal the sum of the components due to rounding adjustments.

	0.8g/t cut off					
	Indicated			Inferred		
	Mt	Au (g/t)	Au (koz)	Mt	Au (g/t)	Au (koz)
Souwa	8.77	1.9	0.52	3.60	2	0.22
Nokpa	3.12	1.9	0.18	2.93	1.8	0.16
Chegue North	0.54	1.3	0.02	0.48	1.3	0.02
Chegue Main	0.66	1.5	0.03	0.45	1.3	0.02
Chegue South	2.56	2	0.16	1.5	1.7	0.08
Kekeda	1.07	1.7	0.06	1.01	1.7	0.05
Han	1.86	1.8	0.1	0.8	1.8	0.04
Enioda	-	-	-	1.32	1.4	0.06
Total	**18.58**	**1.9**	**1.07**	**12.21**	**1.7**	**0.65**

- The table shows a summary of the resource estimate using a cut-off of 0.5g/t Au at December 2017.
- Totals may not equal the sum of the components due to rounding adjustments.

Operational review

Nokpa significant mineralised RC and DD drill intersections

Hole ID	From (m)	Interval (m)	Au (g/t)
DPDD1422	212.5	9.5	2.0
DPDD1423	256	10.8	2.5
DPRC0691	57	3	18.5
DPRC1300	125	8	4.7
DPRD1070	126.8	3.4	6.3
DPRD1070	159	13	2.3
DPRD1377	146	16	3.0
DPRD1379	112	27	1.2
DPRD1380	231	3	8.3
DPRD1380	246	8	13.2
DPRD1388	185.2	7.9	4.9
DPRD1389	103	2.5	24.5
DPRD1389	167	34.3	3.5
DPRD1390	160	20	2.2
DPRD1390	184	6.3	5.7
DPRD1391	185.39	10.61	2.2
DPRD1392	166.2	8.8	2.1
DPRD1409	298	15	3.2
DPRD1411	251.8	21.2	3.0
DPRD1412	268.5	10.35	2.1

The Souwa deposit is by far the biggest one in the Resource area (from all the drilling completed thus far). Driling delineated a 2.1km strike mineralisation which remains open in all directions There are two main ore shoots defined along the structure, extending between 120m and 200m in vertical depths.

Souwa significant mineralised RC and DD drill intersections

Hole ID	From (m)	Interval (m)	Au (g/t)
DPDD1381	116	26	2.0
DPDD1382	80	19	5.7
DPDD1384	187	6	2.8
DPDD1385	84	12	6.0
DPDD1386	91	24	4.3
DPRC0816	108	13	1.4
DPRC0818	48	11	3.2
DPRC0819	79	10	1.7
DPRC0824	49	9	2.1
DPRC0827	44	6	3.0
DPRC0842	83	10	2.6
DPRC0844	49	3	7.3
DPRC0845	79	3	9.6
DPRC0854	119	7	8.0
DPRC0856	2	17	1.1
DPRC0889	138	12	1.7
DPRC1177	165	6	2.7
DPRC1275	42	3	15.3
DPRC1284	11	17	3.0
DPRC1285	12	12	2.5
DPRC1286	25	5	4.0
DPRC1289	19	14	1.6
DPRC1294	29	8	4.4
DPRC1295	50	6	3.0
DPRC1336	20	6	4.1
DPRC1396	181	4	29.6
DPRC1398	177	11	7.2
DPRC1413	126	16	4.5
DPRC1414	153	19	1.1
DPRD1075	89	10.2	2.1
DPRD1102	128	3	5.9
DPRD1102	137	8.85	2.1
DPRD1151	138	12	2.2

The Chegue structure consists of three structures, North, Main and South. North and Main are independent, shallow, coherent ore shoots. These ore shoots are open at depth but the main structure is still open and the surface mapping shows potential for other ore shoots to be intersected that are required to be tested with drilling in 2018.

Operational review

Despite the limited surface signature, the Chegue South deposit was a new discovery in 2017. The structure has been tested along a strike length of 700m and a vertical depth of 00m and remains open on the southern side.

Chegue significant mineralised RC drill intersections

Hole ID	From (m)	Interval (m)	Au (g/t)
DPRC0677	144	11	1.9
DPRC0736	78	13	5.2
DPRC0740	141	2	32.7
DPRC0741	44	8	2.9
DPRC0742	79	10	1.9
DPRC0743	115	12	1.9
DPRC0744	139	12	5.6
DPRC0750	69	7	6.5
DPRC0754	125	13	1.3
DPRC0757	100	2	12.8
DPRC0758	101	12	3.0
DPRC0760	126	14	1.2
DPRC0764	107	2	9.7
DPRC0770	79	10	2.1
DPRC0773	78	12	2.9
DPRC0774	120	8	2.9
DPRC0776	12	12	1.6
DPRC0786	42	12	1.3
DPRC0789	71	4	6.8
DPRC0800	135	10	2.8
DPRC0801	143	19	3.2
DPRC0801	169	11	23.4
DPRC0860	151	5	3.2
DPRC0864	162	2	7.9
DPRC0871	64	3	23.0
DPRC0875	122	22	0.9
DPRC0877	220	7	2.3
DPRC0879	170	7	2.5
DPRC0879	183	7	9.3
DPRC1217	69	5	3.5
DPRC1218	90	4	6.6
DPRC1317	82	13	2.9
DPRC1335	48	7	34.5

Several other prospects have returned significant mineralised intercepts during the year; they will be the base of further exploration work in 2018.

Other prospects with significant mineralised RC and DD drill intersections

Prospect	Hole ID	From (m)	Interval (m)	Au (g/t)
Tchouahinin	DPRC0665	13	8	10.5
Tchouahinin	DPRC0723	118	4	12.7
Tchouahinin	DPRC1187	37	2	10.2
Han	DPRD0470	87	19	1.1
Kekeda	DPRC0632	36	12	2.4

ABC Project

"ABC" stands for "Archaean-Birimian Contact". Centamin has two permits, Kona and FarakoNafana, covering circa 751km^2 along the underexplored contact zone between the Archaean and Birimian cratons. The licence holding includes 80km strike on the Archaean margins, in addition to several shear zones and faults interpreted to be potentially significant targets.

Kona permit

Greenfield exploration work commenced in 2017. Reconnaissance mapping of the permit area and geochemical sampling identified Lolosso, an outcropping 12km gold mineralised structure.

The Lolosso structure cuts the Kona permit on a North-South orientation. It corresponds to a split from the major Sassandra fault which bounds the Archaean Craton. Even if technically located in the Archaean domain, a narrow corridor of Birrimian volcano-sediments is pinched in between granites, and forms the host of the mineralisation along Lolosso.

Operational review

More detailed fieldwork was carried out, including a GAIP survey over the entire 25km mineralised corridor. During 2017 there were 5,884m of RC drilled along fourteen drill sections. Most of the drill holes returned low-grade gold mineralisation, showing a mineralised corridor varying from 100m to over 200m width. Higher grade zones, often of over 15m width, have been intersected and will be followed up by further drilling in 2018. One of the most significant drill sections, intercepts includingKNRC006, KNRC008 and KNRC009, the vertical depth has been tested to 130m and remains open. Preliminary metallurgical test work, including bottle roll and fire assay on the tail, has shown no apparent metallurgical issues.

The ABC Project has potential to host a significant gold deposit. The Lolosso mineralised system discovered thus far is extensive and requires additional exploration work throughout 2018 to better understand the geological potential. At the FarakoNafana permit, mapping and soil geochemical work has commenced.

There are currently four additional permits under application, covering circa 1,538km^2.

Lolosso significant mineralised RC drill intersections

Hole ID	From (m)	Interval (m)	Au (g/t)
KNRC0001	0	18	1.1
KNRC0002	11	17	1.2
KNRC0002	54	20	1.3
KNRC0003	31	22	1
KNRC0004	51	33	1.2
KNRC0006	1	24	1.6
KNRC0008	16	39	2.3
KNRC0008	68	14	1.7
KNRC0009	54	19	1.1
KNRC0009	78	21	1.5
KNRC0009	119	18	1.9
KNRC0010	0	35	1.8
KNRC0011	26	10	2.2
KNRC0011	69	26	1.5
KNRC0012	61	16	1.4
KNRC0012	131	27	1.5
KNRC0013	6	31	1.5
KNRC0014	70	25	1.4
KNRC0015	46	35	1.2
KNRC0024	54	10	1.6
KNRC0025	101	9	4
KNRC0026	168	12	1.4
KNRC0027	0	11	2.4
KNRC0028	58	20	1.2
KNRC0029	87	27	1.1
KNRC0035	14	16	1.1
KNRC0043	83	11	2.2
DPRC0750	69	7	6.5

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

The costs capitalised on exploration licences that have subsequently expired or relinquished have been written off during the year. Refer to note 14 in the financial report.

Burkina Faso

Centamin holds a 1,258km² licence package. The 2017 exploration strategy was to target potential reserve growth within a 25km radius of the processing plant at Konkera North. Two extensive GAIP surveys were completed covering Konkera and Gangal-Tonior SE. Systematic auger drilling identified a number of gold anomalies/intersected significant gold bearing structures within the target blocks.

Soil geochemistry, auger drilling and air core drilling is under way throughout 2018, with the aim to deliver a resource update.

Work completed included 12,926m of AC, 1583.1km GAIP lines measured, 39,995m of auger and 225m of trenching during the year.

The costs capitalised on exploration licences that have subsequently expired or relinquished have been written off during the year. Refer to note 14 in the financial report.

Operational review

Table 1 below summarises the 2017 exploration activities of Batie West.

2017 exploration activities, Batie West Project, Burkina Faso

Burkina Faso 2017		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Samples	Orientation geochimie sol	0	0	0	0	0	0	0	0	0	0	0	0	**0**
	Regional Soils (Termite, stream samples)	420	2	13	6	0	25	18	3	0	0	0	0	**487**
	Infill Soils	0	0	0	0	0	0	0	0	0	0	51	577	**628**
	Auger	2,753	866	0	533	891	751	866	664	841	879	411	0	**9,455**
	Rocks	78	143	34	23	12	33	0	10	10	0	0	2	**345**
	Trenching	151	0	0	0	0	0	0	0	0	0	0	0	**151**
	Aircore drilling	198	0	0	0	0	0	0	0	0	1,137	4,452	1,049	**6,836**
	Total	**3,600**	**1,011**	**47**	**562**	**903**	**809**	**884**	**677**	**851**	**2,016**	**4,914**	**1,628**	**17,902**
Metrage	Auger	6,439	2,235	0	3,023	4,548	4,127	4,422	3,796	4,058	5,324	2,023	0	**39,995**
	Aircore drilling	764	0	0	0	0	0	0	0	0	2,253	7,859	2,050	**12,926**
	RC Drilling													**0**
	Diamond Drilling													**0**
	Trenching	225	0	0	0	0	0	0	0	0	0	0	0	**225**
	Total	**7,428**	**2,235**	**0**	**3,023**	**4,548**	**4,127**	**4,422**	**3,796**	**4,058**	**7,577**	**9,882**	**2,050**	**53,146**
IP/DD	Line km surveyed IP	187	374	0	0	125	234	285	0	138	146	94	0	**1,583**
	Line km surveyed DDIP													**0**
	Line Clearing				85	374	138	264	84	228	353	159	21	**1,706**
	Drill Collars Cementing	517			79	123	151	9	107	0	0	0	0	**986**

Financial review

Financial review

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

Now in its eighth year of production, the Sukari Gold Mine remains highly cash generative and this is reflected in the group's financial results for the year ended 31 December 2017:

- Strong cash flow generation with US$142 million of free cash flow(1) generated in 2017, down 41% on the prior year (2016: US$242 million) almost entirely due to the impact of increased profit share payments;
- 2017 revenues of US$676 million were down 2% on the prior year (2016: US$687 million) with a 0.4% increase in realised gold prices offset by a decrease in gold sales;
- Cash costs of production(1) increased to US$554 per ounce produced on the prior year (2016: US$513), driven predominantly by an increase in mined and processed tonnes and an increase in fuel and reagent costs;
- AISC(1) of US$790 per ounce sold matched our forecast but was an increase on the prior year (2016: US$694), mainly due to increased production costs and higher sustaining capital costs resulting from planned fleet rebuilds;
- EBITDA(1) decreased by 13% to US$326 million, as a result of increased production and operating costs and the slight decrease in revenues;
- Profit before tax decreased by 16% to US$224.1 million, due to the factors outlined above;
- Earnings per share after profit share of 9.51 US cents were down 49% on the prior year due to lower revenue, higher costs and, most significantly, the impact of the first full year of profit share (2016: 18.71 US cents);
- Operational cash flow of US$359 million was 2% lower than 2016, due to the lower gold production base with higher gold prices offset by a higher cost base; and
- The Egyptian state has benefitted directly from profit share payments to EMRA of US$111.6 million during the year ended 31 December 2017, in addition to US$20.4 million in royalty payments for the same period.

(1) Please refer to the Non GAAP measures

With the strong performance of our flagship asset and solid cash flows carrying through into the second half, a final dividend for 2017 of 10.0 US cents per share has been proposed for approval at the AGM on 26 March 2018. Together with the interim dividend of 2.5 US cents paid during the year, this represents a paid and proposed full year dividend of 12.5 US cents per share (2016: 15.5 US cents per share). Payment of the proposed final dividend would result in a full year pay-out of approximately US$144 million, which is equivalent to 100% of our free cash flow for 2017, in line with the Company's policy of returning to shareholders capital not required for future investment.

Centamin remains committed to its policy of being 100% exposed to the gold price through its unhedged position, and maintained a healthy cash, bullion on hand, gold sales receivables and available-for-sale financial assets balance during the year. Cash and cash equivalents stood at US$360million as at 31 December 2017.

Revenue

Revenue from gold and silver sales has decreased by 2% to US$675.5 million (2016: US$687.4 million), with a 0.4% increase in the average realised gold price to US$1,261 per ounce (2016: US$1,256 per ounce) and a 1% decrease in gold sold to 539,726 ounces (2016: 546,630 ounces). The movement is also net of a US$6.2m reallocation from revenue against capitalised exploration costs related to Cleopatra.

Cost of sales

Cost of sales represents the cost of mining, processing, refinery, transport, site administration and depreciation and amortisation, and movement in production inventory. Cost of sales is inclusive of US$41.9 million categorised as fuel pre-payments (refer to note 12 to the financial statements for further information) and has increased by 6% to US$414 million, mainly as a result of a:

- 7% increase in total mine production costs from US$288.3 million to US$307.6 million, due to a 14% increase in mined tonnes combined with a 4% increase in processed tonnes and an increase in unit costs mainly due to increased fuel and reagent costs; and
- 2% decrease in depreciation and amortisation charges from US$106.9 million to US$104.3 million as a reclassification of exploration and evaluation expenditure to mine development and a change in estimate of the reserve base which decreased the associated amortisation charges.

Other operating costs

Other operating costs comprise expenditure incurred for communications, consultants, directors' fees, stock exchange listing fees, share registry fees, employee entitlements, general office administration expenses, the unwinding of the restoration and rehabilitation provision, foreign exchange movements and the 3% production royalty payable to the Egyptian government. Other operating costs increased by US$4.8 million or 15% on the prior year to US$36.9 million, mainly as a result of a:

- US$3.6 million decrease in net foreign exchange gains (+ve);
- US$0.2 million decrease in royalty paid to the government of the ARE in line with the decrease in gold sales revenue (-ve);
- US$1.3 million increase in corporate and other costs (+ve); and
- US$0.1 million increase in stock obsolescence provision (+ve).

Financial review

Finance income

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

Profit before tax

As a result of the factors outlined above, the group recorded a profit before tax for the year ended 31 December 2017 of US$224.1 million (2016: US$266.8 million).

Tax

The group operates in several countries and, accordingly, it is subject to, the various tax regimes in the countries in which it operates. The tax charge of US$2.1 million for the year was associated with an internal group restructuring.

EMRA profit share

During the year ended 31 December 2017, US$111.6 million was paid as profit share payments to the Egyptian Mineral Resources Authority ("EMRA").

Profit share payments made to EMRA, pursuant to the provisions of the Concession Agreement, are recognised as a variable charge in the income statement (below profit after tax) of Centamin, resulting in a reduction in earnings per share. The profit share payments during the year will be reconciled against SGM's audited June 2017 and 2018 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 2017 financial statements are currently being audited.

Earnings per share

Earnings per share (after profit share) of 9.51 US cents in 2017 decreased when compared with the prior year (2016: 18.71 US cents). The decrease was driven by the factors outlined above.

Comprehensive income

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

Financial position

Centamin has a strong and flexible financial position with no debt, no hedging and cash, bullion on hand, gold sales receivables and available-for-sale financial assets of US$417.9 million at 31 December 2017, down from US$428.0 million at 31 December 2016 following dividend payments of US$184.4 million during the period.

	Year ended 31 December 2017 US$'000	Year ended 31 December 2016 US$'000
Cash and cash equivalents (note 27)	**359,680**	399,873
Bullion on hand (valued at the year-end spot price)	**27,123**	4,998
Gold sales receivable (note 10)	**31,007**	23,009
Available-for-sale financial assets (note 15)	**125**	130
Cash and cash equivalents, bullion on hand, gold sales receivables and available-for-sale financial assets	**417,935**	428,010

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

Current assets have decreased by US$51.7 million or 9% to US$509.3 million, as a result of a:

- US$23.4 million decrease (-ve) in inventory driven by a US$18.2 million decrease (-ve) in collective stores inventory value to US$78.6 million (due to significant cost reduction and minimisation initiatives), a US$2.5 million decrease (-ve) in overall mining stockpiles and gold in circuit levels to US$31.7 million and a US$2.6 million increase (+ve) in the provision for obsolete stores inventory to US$5.1 million;
- US$9.6 million increase in trade and other receivables (including gold sale receivables) (+ve);
- US$2.3 million increase in prepayments (+ve); and
- US$40.2 million decrease in net cash (net of foreign exchange movements) (-ve) driven by a US$155.4 million final dividend payment to registered shareholders for 2016, a US$29.0 million interim dividend payment to registered shareholders for 2017 and a US$111.6 million payment to EMRA as profit share during the year.

Financial review

Non-current assets have decreased by US$3.2 million or 0.3% to US$1,020 million, as a result of a:

- US$86.7 million increase in the cost of property, plant and equipment (+ve);
- US$104.6 million charge for depreciation and amortisation (-ve);
- US$14.9 million increase in exploration and evaluation assets (net of a US$3.6 million impairment), as a result of the drilling programmes in Sukari Hill, Burkina Faso and Côte d'Ivoire (-ve); and
- US$0.3 million decrease in prepayments and other receivables (-ve).

Current liabilities have increased by US$14.4 million or 28% to US$66.4 million, as a result of a:

- US$8.8 million increase in trade payables offset by a US$0.2 million decrease in accruals (+ve);
- US$0.5 million increase in tax liabilities accrued during the year (+ve); and
- US$5.3 million increase in current provisions primarily driven by withholding tax, customs and rebate provisions held at year end (+ve).

Non-current liabilities have increased by US$3.3 million to US$10.9 million as a result of an increase in the rehabilitation provision.

The value of share capital has increased by US$1.3 million to US$668.7 million which can be attributed to the value of awards granted under the employee share plans for the period. There has been no change in the number issued shares over the same period.

Share option reserves reported have increased by US$1.3 million to US$4.3 million as result of the forfeiture and vesting of awards and the resultant transfer to accumulated profits and issued capital respectively, offset by the recognition of the share-based payment expenses for the year.

Accumulated profits decreased by US$75.1 million to US$778.9 million as a result of a:

- US$222.0 million profit for the year after tax (+ve); offset by
- US$112.6 million profit share charge to EMRA in the year (-ve); and
- US$184.4 million in dividend payments to external shareholders; comprising a US$155.4 million final dividend payment for 2016 and a US$29.0 million interim dividend payment for 2017 (-ve).

Cash flow

Net cash flows generated by operating activities comprise receipts from gold and silver sales and interest income, offset by operating and corporate administration costs. Cash flows from operating activities decreased by US$7.5 million to US$358.8 million, primarily attributable to a slight decrease in revenue, due to a higher average realised price offset by a 1% decrease in gold sold ounces, as well as an increase in costs as explained above.

Net cash flows used in investing activities comprise exploration expenditure and capital development expenditures including the acquisition of financial and mineral assets. Cash outflows have decreased by US$1.0 million to US$104.7 million. The primary use of the funds in the year was for purchases of property, plant and equipment, investment in underground development at the Sukari site in Egypt and exploration expenditures incurred in West Africa.

Net cash flows used in financing activities increased by US$231.4 million to US$296 million which comprises a US$111.6 million payment to EMRA as profit share and dividends paid of US$184.4 million during the year.

Effects of exchange rate changes have decreased by US$2.6 million as a result of movements of the currencies used across the operations in the year.

Financial review

Capital expenditure

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

	31 December 2017 US$ million	31 December 2016 US$ million
Underground exploration	**6.0**	7.5
Underground mine development	**32.7**	32.4
Other sustaining capital expenditure	**43.9**	23.7
Total sustaining capital expenditure	**82.6**	63.6
Non-sustaining exploration capitalised(1)	**24.9**	42.0

(1) Includes expenditure in West Africa (US$6.4 million Burkina Faso and US13.9 million Cote d'Ivoire) and US$4.6 million of the Sukari expenditure relating to Cleopatra in non-sustaining capital expenditure.

Cumulative exploration expenditure capitalised for Cleopatra at Sukari is US$7.6 million (project to date) offset by pre-production net revenues of US$4.8 million (refer to notes 5 and 6 to the financial statements for further details) resulting in US$2.8 million remaining on the statement of financial position at 31 December 2017.

Exploration expenditure

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

	31 December 2017 US$ million	31 December 2016 US$ million
Burkina Faso	**6.4**	26.3
Cote d'Ivoire	**13.9**	12.7
Sukari Tenement	**6.0**	7.5
Cleopatra	**4.6**	3.0
Total exploration expenditure	**30.9**	49.5

Exploration and evaluation assets – impairment considerations

As discussed in note 14 to the financial statements, in consideration of the requirements of IFRS 6, management is not aware of any information that would otherwise suggest that an impairment trigger has occurred which would require a full impairment test to be carried out at 31 December 2017.

Exchange rates

Foreign exchange gains have decreased from US$5m to US$1.5m, resulting in a US$3.5 million decrease on the prior year.

Ross Jerrard
Chief financial officer

31 January 2018

Non GAAP Measures

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

1) EBITDA
EBITDA is a non‑GAAP financial measure, which excludes the following from profit before tax:

- Finance costs;
- Finance income; and
- Depreciation and amortisation.

Management believes that EBITDA is a valuable indicator of the group's ability to generate liquidity by producing operating cash flow to fund working capital needs and fund capital expenditures. EBITDA is also frequently used by investors and analysts for valuation purposes whereby EBITDA is multiplied by a factor or "EBITDA multiple" that is based on an observed or inferred relationship between EBITDA and market values to determine the approximate total enterprise value of a company. EBITDA is intended to provide additional information to investors and analysts and does not have any standardised definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. EBITDA excludes the impact of cash 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 year attributable to the Company.

Reconciliation of profit before tax to EBITDA

	Year ended 31 December 2017(1) US$'000	Year ended 31 December 2016(1) US$'000
Profit before tax	**224,094**	266,829
Finance income	**(2,729)**	(917)
Depreciation and amortisation	**104,562**	106,973
EBITDA	**325,927**	372,885

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

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

During June 2013 the World Gold Council (WGC), an industry body, published a Guidance Note on 'all in sustaining costs' metric, which gold mining companies can use to supplement their overall non-GAAP disclosure. AISC is an extension of the existing 'cash cost' metric and incorporates all costs related to sustaining production and in particular recognising the sustaining capital expenditure associated with developing and maintaining gold mines. In addition, this metric includes the cost associated with developing and maintaining gold mines. 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).

Non GAAP Measures

Reconciliation of cash cost of production per ounce produced:

		Year ended 31 December 2017[1]	Year ended 31 December 2016[1]
Mine production costs (note 6)	US$'000	**307,563**	288,317
Add: Pre-production costs of gold sales related to Cleopatra	US$'000	**1,329**	—
Less: Refinery and transport	US$'000	**(1,554)**	(1,564)
Movement of inventory[2]	US$'000	**(5,632)**	(3,876)
Cash cost of production – gold produced	US$'000	**301,706**	282,877
Gold produced – Total (oz.)	oz	**544,658**	551,036
Cash cost of production per ounce produced	US$/oz	**554**	513

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

Reconciliation of cash cost of production per ounce sold:

		Year ended 31 December 2017[1]	Year ended 31 December 2016[1]
Mine production costs (note 6)	US$'000	**307,563**	288,317
Add: Pre-production costs of gold sales related to Cleopatra	US$'000	**1,329**	—
Movement in inventory[2]	US$'000	**2,490**	(5,910)
Cash cost of production – gold sold	US$'000	**311,382**	282,407
Gold sold – Total (oz.)	oz	**539,726**	546,630
Cash cost of production per ounce sold	US$/oz	**577**	517

(1) Cash cost of production includes a charge to reflect the removal of fuel subsidies (refer to note 12 to the financial statements for further details).

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

Reconciliation of AISC per ounce sold:

		Year ended 31 December 2017[1]	Year ended 31 December 2016[1]
Mine production costs (note 6)	US$'000	**307,563**	288,317
Add: Pre-production costs of gold sales related to Cleopatra	US$'000	**1,329**	—
Movement in inventory	US$'000	**2,490**	(5,910)
Royalties	US$'000	**20,404**	20,575
Corporate administration costs	US$'000	**12,679**	13,521
Rehabilitation costs	US$'000	**629**	581
Sustaining underground development and exploration	US$'000	**38,649**	39,864
Other sustaining capital expenditure	US$'000	**43,890**	23,762
By-product credit	US$'000	**(1,167)**	(1,080)
All-in sustaining costs[2]	US$'000	**426,466**	379,630
Gold sold – total	oz	**539,726**	546,630
AISC per ounce sold	US$/oz	**790**	694

(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 12 to the financial statements for further details).

(2) Includes refinery and transport.

Non GAAP Measures

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

Cash and cash equivalents, bullion on hand, gold sales receivables and available-for-sale financial assets is a non-GAAP financial measures. Cash and cash equivalents, bullion on hand, gold sales receivables and available-for-sale financial assets is a measure of the available cash and liquid assets at a point in time. Management uses this measure internally to better assess performance trends for the Company as a whole. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors use such non-GAAP information to evaluate the Company's performance and ability to generate cash flow. The Company believes that these measures provide an alternative reflection of the group's performance for the current period and are an alternative indication of its expected performance in future periods. Cash and cash equivalents, bullion on hand, gold sales receivables and available-for-sale financial assets is intended to provide additional information, does not have any standardised meaning prescribed by GAAP and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. This measure is not necessarily indicative of cash and cash equivalents as determined under GAAP. This is a non-GAAP financial measure and other companies may calculate these measures differently.

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

	Year ended 31 December 2017 US$'000	Year ended 31 December 2016 US$'000
Cash and cash equivalents (note 27)	**359,680**	399,873
Bullion on hand (valued at the year-end spot price)	**27,123**	4,998
Gold sales receivable (note 10)	**31,007**	23,009
Available-for-sale financial assets (note 15)	**125**	130
Cash and cash equivalents, bullion on hand, gold sales receivables and available-for-sale financial assets	**417,935**	428,010

4) Free cash flow

Free cash flow is a non-GAAP financial measure. Free cash flow is a measure of the available cash after EMRA profit share payments that the group has at its disposal to use for capital reinvestment and to distribute to shareholders as dividends in accordance with the Company's dividend policy. Management uses this measure internally to better assess performance trends for the Company as a whole. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors use such non-GAAP information to evaluate the Company's performance and ability to generate cash flow. The Company believes that these measures provide an alternative reflection of the group's performance for the current period and are an alternative indication of its expected performance in future periods. Free cash flow is intended to provide additional information, does not have any standardised meaning prescribed by GAAP and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. This measure is not necessarily indicative of operating profit or cash flow from operations as determined under GAAP. This is a non-GAAP financial measure and other companies may calculate these measures differently.

	Year ended 31 December 2017 US$'000	Year ended 31 December 2016 US$'000
Net cash generated from operating activities	**358,811**	366,295
Less:		
Net cash used in investing activities	**(104,743)**	(105,774)
EMRA profit share payments	**(111,629)**	(18,503)
Free cash flow	**142,439**	242,018

Corporate governance update

Corporate governance update

As announced on 11 January 2018, the board welcomes Alison Baker, an independent non-executive director, who will join the board on 5 February 2018. Alison will join the nomination committee and HSES committee on appointment.   Ross Jerrard, the Company's Chief Financial Officer, will also be joining the board on 5 February 2018. These new members bring a wealth of experience within their fields and in the case of Ross, from within the Company. Andrew Pardey will shortly complete his third year as CEO and will be supported in 2018 by the newly appointed member of the senior management team, Mark Morcombe, as chief operating officer.

As announced in January of this year, Josef El-Raghy will be retiring at the end of 2018. Due process has started with the appointment of a recruitment agency, and the nomination committee will identify a successor to fill the role of Independent chairman to the board. This process will aim to identify a new chairman by June 2018.

Principal risks affecting the group

Principal risks affecting the group

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

Set out below are the Company's principal risks and uncertainties for the year ended 31 December 2017. The descriptions below describe the current status of the principal risks affecting Centamin and its operational and exploration activities.

Loss of revenue due to single project dependency
The Sukari Gold Mine currently constitutes Centamin's main mineral resource and sole mineral reserve and near term production and revenue. The resources in Burkina Faso and Cote d'Ivoire are not currently of a sufficient size to convert into a reserve. Until further production growth beyond Sukari is identified the potential impact remains high and safeguarding the project is paramount to the Company.

Sukari Gold Mine joint venture risk and relationship with EMRA
Whilst Centamin retains control over the project, the holding company, Sukari Gold Mines ("SGM"), is jointly owned by the Company's wholly owned subsidiary Pharaoh Gold Mines NL ("PGM") and EMRA with equal board representation from both parties. The board of SGM operates by way of simple majority. Should a dispute arise which can't otherwise be amicably resolved, arbitration or other proceedings may need to be employed. The successful management of the Sukari Gold Mine is in part dependent on maintaining a good working relationship with EMRA. The group has regular meetings with officials from EMRA and invests time in liaising with relevant ministry and other governmental representatives.

Gold price
The extent of the Company's financial performance is due in part to the price of gold, which the Company has no influence over. Revenues from gold sales are in US dollars and Centamin has exposure to costs in other currencies including Egyptian pounds, Australian dollars and Sterling. Centamin manages its exposure to gold price by keeping operating costs as low as possible.

Jurisdictional taxation exposure
The group's corporate structure includes operational activity in Egypt and West Africa held through holding companies in Australia and the United Kingdom. Exposure to changing cross jurisdictional tax legislation could have an adverse effect of the Company's ability to repatriate revenues.

Political risk – Sukari
The Company's operational activities are primarily in Egypt, a country that has been subject to civil and military disturbance. Future political and economic conditions in Egypt could change with future governments adopting different policies that may impact the development and ownership of mineral resources. Policy changes and licensing may also impact the use of explosives, tenure of mineral concessions, taxation, royalties, exchange rates, environmental protection, labour relations, repatriation of income and capital. Changes may also impact the ability to import key supplies and export gold. The potential for serious impact should be balanced against the Egyptian government's support of Centamin's investment and contribution to both revenue and development of the mining industry. New laws have been introduced to protect and therefore encourage foreign investment, which is a positive step for the country. Law no. 32 has been confirmed by Parliament, although it remains subject to a challenge in the Supreme Court.

Political risk – West Africa
The Company operates in Burkina Faso and Côte d'Ivoire. There are no assurances that future political and economic conditions in these countries will not result in the governments adopting different policies in respect to foreign development and ownership of exploration and exploitation licences.

Exploration development
Time and costs of exploration activity are recognised as exploration and evaluation assets ("E&E assets") on the balance sheet. E&E assets continue to be carried on the balance sheet where there is ongoing planned activity and the right of tenure is current. There can be no guarantee that an exploration project progresses to an economic resource and therefore there remains a risk that E&E assets are partially or fully impaired during a financial period where either a decision is made to discontinue a project or no further activity is scheduled.

Reserve and resource estimate
Mineral resource and reserve figures are prepared by Centamin personnel and reviewed by externally appointed independent geologists. By their nature, mineral resources and reserves are estimates based on a range of assumptions, including geological, metallurgical technical and economic factors. Other variables include expected costs, inflation rates, gold price and production outputs. There can be no guarantee that the anticipated tonnages or grades expected by Centamin will be achieved both from the underground operation or open pit.

Failure to achieve production estimates
Centamin prepares annual estimates for future gold production from the Sukari Gold Mine. There can be no assurance that Centamin will achieve its production estimates and such failure could have a material and adverse effect on Centamin's future cash flows, profitability, results of operations and financial condition. It should be specifically noted that the potential quantity and grade from the

Principal risks affecting the group

Sukari underground mine is conceptual in nature, that there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the target being delineated as a mineral resource.

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

The risk relating to currency exposure is no longer considered to be a principal risk to the business and has been removed from the principal risk register. All other principal risks are the same as previously disclosed in the 2016 annual report and accounts.
The group operates predominantly in Egypt with EGP representing approximately 15% of total cost base. The group receives all revenue from gold sales in US dollars. In November 2016 the Egyptian government floated the Egyptian pound in an attempt to stabilise its economy. This led to a significant devaluation of the currency and subsequently and increase in local inflation. Whilst this still carries a potential risk for the group, as it can lead to increases in the prices of fuel, raw materials as well as pressure to increase staff wages, we have observed a relatively stable profile against the US$ and whilst this will be closely monitored, this risk has been removed from Centamin's principal risk register.

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.

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

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

Directors responsibilities

Directors' responsibilities in respect of the annual report and financial statements
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the group financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with The Companies (Jersey) Law, 1991 and, as regards the group financial statements, Article 4 of the IAS Regulation.

The directors are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom and Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors consider that the annual report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the group's performance, business model and strategy. The 2017 annual report will be published and available for shareholders on 20 February 2018.

The directors have undertaken a robust assessment of the principal risks impacting the Company. The assessment identified strategic and operational risks at a corporate level and principal risks impacting our operations in Egypt and West Africa.

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

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

The financial statements were approved by the board of directors on 31 January 2018 and signed on their behalf by Andrew Pardey (CEO) and Ross Jerrard (CFO).

Each of the directors, whose names and functions are listed in the Directors' Report confirm that, to the best of their knowledge.

- the group financial statements, which have been prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the group; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal risks and uncertainties that it faces.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the group's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board:

Andrew Pardey	**Ross Jerrard**
Chief executive officer	Chief financial officer
31 January 2018	31 January 2018

Set out below are the audited consolidated Financial Statements for the group, including notes thereto, for the year ended 31 December 2017. 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 2017

	Notes	**31 December 2017 US$'000**	31 December 2016 US$'000
Revenue	5	**675,510**	687,387
Cost of sales	6	**(414,341)**	(389,276)
Gross profit		**261,169**	298,111
Other income		**680**	—
Other operating costs	6	**(36,927)**	(32,077)
Impairment of exploration and evaluation assets	14	**(3,557)**	(122)
Finance income	6	**2,729**	917
Profit for the year before tax		**224,094**	266,829
Tax	8	**(2,063)**	(821)
Profit for the year after tax		**222,031**	266,008
EMRA profit share	7	**(112,629)**	(51,253)
Profit for the year after EMRA profit share		**109,402**	214,755
Profit for the year attributable to:			
– the owners of the parent		**109,402**	214,755
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Profit/(loss) on available-for-sale financial assets (net of tax)	15	**(91)**	45
Other comprehensive income for the year		**(91)**	45
Total comprehensive income attributable to:			
– the owners of the parent		**109,311**	214,800
Earnings per share before profit share:			
Basic (cents per share)	26	**19.303**	23.170
Diluted (cents per share)	26	**19.154**	23.054
Earnings per share after profit share:			
Basic (cents per share)	26	**9.511**	18.705
Diluted (cents per share)	26	**9.438**	18.612

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 2017

	Notes	**31 December 2017 US$'000**	31 December 2016 US$'000
Non-current assets			
Property, plant and equipment	13	**851,099**	868,926
Exploration and evaluation asset	14	**168,832**	153,918
Prepayments	12	**—**	295
Other receivables	10	**96**	81
Total non-current assets		**1,020,027**	1,023,220
Current assets			
Inventories	11	**105,210**	128,582
Available-for-sale financial assets	15	**125**	130
Trade and other receivables	10	**34,467**	24,870
Prepayments	12	**9,793**	7,508
Cash and cash equivalents	27	**359,680**	399,873
Total current assets		**509,275**	560,963
Total assets		**1,529,302**	1,584,183
Non-current liabilities			
Provisions	17	**10,961**	7,697
Total non-current liabilities		**10,961**	7,697
Current liabilities			
Trade and other payables	16	**56,585**	47,991
Tax liabilities	8	**469**	—
Provisions	17	**9,311**	3,976
Total current liabilities		**66,365**	51,967
Total liabilities		**77,326**	59,664
Net assets		**1,451,976**	1,524,519
Equity			
Issued capital	18	**668,732**	667,472
Share option reserve	19	**4,323**	3,048
Accumulated profits		**778,921**	853,999
Total equity attributable to:			
– owners of the parent		**1,451,976**	1,524,519
Total equity		**1,451,976**	1,524,519

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

The consolidated financial statements on were approved by the board of directors on 31 January 2018 and signed on its behalf by:

Andrew Pardey
Chief executive officer

31 January 2018

Ross Jerrard
Chief financial officer

31 January 2018

Consolidated statement of changes in equity

for the year ended 31 December 2017

	Issued capital US$'000	**Share option reserve US$'000**	**Accumulated profits US$'000**	**Total equity US$'000**
Balance as at 1 January 2017	**667,472**	**3,048**	**853,999**	**1,524,519**
Profit for the year after tax	—	—	**222,031**	**222,031**
EMRA profit share	—	—	**(112,629)**	**(112,629)**
Other comprehensive income for the year	—	—	**(91)**	**(91)**
Total comprehensive income for the year	—	—	**109,311**	**109,311**
Issue of shares	—	—	—	—
Transfer of share based payments	**1,260**	**(1,260)**	—	—
Recognition of share based payments	—	**2,535**	—	**2,535**
Dividend paid - shareholders	—	—	**(184,389)**	**(184,389)**
Balance as at 31 December 2017	**668,732**	**4,323**	**778,921**	**1,451,976**

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

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 2017

	Notes	**31 December 2017 US$'000**	31 December 2016 US$'000
Cash flows from operating activities			
Cash generated in operating activities	27(b)	**363,110**	374,811
Income tax refund received		**108**	—
Income tax paid		**(1,678)**	(7,599)
Finance income		**(2,729)**	(917)
Net cash generated by operating activities		**358,811**	366,295
Cash flows from investing activities			
Acquisition of property, plant and equipment		**(76,576)**	(57,204)
Exploration and evaluation expenditure		**(30,896)**	(49,487)
Finance income	6	**2,729**	917
Net cash used in investing activities		**(104,743)**	(105,774)
Cash flows from financing activities			
Dividend paid		**(184,389)**	(46,073)
EMRA profit share paid	7	**(111,629)**	(18,503)
Net cash used in financing activities		**(296,018)**	(64,576)
Net (decrease)/increase in cash and cash equivalents		**(41,950)**	195,945
Cash and cash equivalents at the beginning of the period		**399,873**	199,616
Effect of foreign exchange rate changes		**1,757**	4,312
Cash and cash equivalents at the end of the period	27	**359,680**	399,873

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

Notes to the consolidated financial statements

for the year ended 31 December 2017

1. General information

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

Registered office and principal place of business:

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

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

2. Adoption of new and revised accounting standards

Standards not affecting the reported results nor the financial position

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

New standards, amendments and interpretations not yet adopted

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

IFRS 15 'Revenue from contracts with customers'. The new standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and provides a five-step framework for application to customer contracts: identification of customer contract; identification of the contract performance obligations; determination of the contract price; allocation of the contract price to the contract performance obligations; and revenue recognition as performance obligations are satisfied. A new requirement where revenue is variable stipulates that revenue may only be recognised to the extent that it is highly probable that significant reversal of revenue will not occur. The group has assessed the impact of IFRS 15 and determined that its application will result in no changes in its revenue recognition. As the majority of gold sales are not subject to pricing adjustments, a significant impact is not anticipated. The new standard will be effective for annual periods beginning on or after 1 January 2018.

IFRS 9 'Financial instruments'. IFRS 9 addresses the financial reporting of financial assets and financial liabilities. This standard replaces IAS 39 'Financial instruments: recognition and measurement'. IFRS 9 requires financial assets to be classified into three measurement categories: those measured at fair value through profit and loss, those measured at fair value through other comprehensive income and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The impairment model, hedging rules and derecognition rules have also been amended under IFRS 9. The group believe there is no material impact of IFRS9 on current results, had it been effective in the year ended 31 December 2017 as it does not enter into formal hedge accounting arrangements, has no long term trade or other receivables and does not hold financial liabilities at fair value. The group has considered the impact of IFRS9 on the accounting for assets currently held as available-for-sale and determined it not be material. The new standard will be effective for annual periods beginning on or after 1 January 2018.

IFRS 16 'Leases'. The new standard will replace IAS 17 'Leases' and eliminates the classification of leases as either operating or finance leases by the lessee. Classification of leases by the lessor under IFRS 16 continues as either an operating or a finance lease, as was the treatment under IAS 17 'Leases'. The treatment of leases by the lessee will require capitalisation of most leases resulting in accounting treatment similar to finance leases under IAS 17 'Leases'. Exemptions for leases of very low value or short term leases will be applicable. The new standard will result in an increase in lease assets and liabilities for the lessee. Under the new standard the treatment of all lease expense is aligned in the statement of earnings with depreciation, and an interest expense component recognised for each lease, in line with finance lease accounting under IAS 17 'Leases'. The group's leases will come on balance sheet on adoption of IFRS16 and the impact is still being assessed. IFRS 16 will be applied for annual periods beginning on or after 1 January 2019 with the cumulative effect of initially applying the standard recognised at the date of initial application.

3. Summary of significant accounting policies

Basis of preparation

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

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and adopted for use by the European Union and interpretations issued from time to time by the IFRS Interpretations Committee ("IFRS IC") both as adopted by the European Union ("EU") and which are mandatory for EU reporting as at 31 December 2017, the Companies (Jersey) Law 1991, and IFRS as issued by the IASB and interpretations issued from time to time by the IFRS IC which are mandatory as at 31 December 2017. The group has not early adopted any other amendments, standards or interpretations that have been issued but are not yet mandatory.

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

Comparative figures

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

	Year ended 31 December 2017 US$'000	Year ended 31 December 2016 US$'000
Stock obsolescence provision reallocated to inventories(1)		
(Decrease) in inventory	**(5,136)**	(2,500)
Decrease in provisions	**5,136**	2,500
Prepayments reallocation(2)		
Increase in prepayments	**6,272**	5,480
(Decrease) in inventory	**(6,272)**	(5,480)

(1) Per IAS 2 Inventories, it is required to show the provision for obsolete inventory within the inventory note as the inventory balance in the statement of financial position should be net of such a provision, as such this has been reclassified from provisions to inventory.

(2) Prepayments for items within the inventory balance were identified by management for which the risks and rewards of ownership had not passed, and as such these have been reclassified from inventory to prepayments.

Principles of consolidation

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

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

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

Sukari Gold Mines ("SGM") is jointly owned by PGM and EMRA on a 50% basis. For accounting purposes, SGM is wholly consolidated within the Centamin group of companies reflecting the substance and economic reality of the Concession Agreement (see note 23) and will therefore recognise a non-controlling interest ("NCI") for EMRA's participation. Furthermore, based on the requirements of the Concession Agreement, payments to NCI meet the definition of a liability and will be recorded in the income statement and statement of financial position (below profit after tax), as the EMRA profit share, on the date that a net production surplus becomes available. Payment made to EMRA pursuant to the provisions of the Concession Agreement is based on the net production surplus available as at 30 June, being SGM's financial year end. Pursuant to the Concession Agreement, the provisions of which are described more fully below, whilst PGM is responsible for funding SGM's activities, PGM is also entitled to recover the following costs and expenses payable from sales revenue (excluding the royalty payable to the Arab Republic of Egypt ("ARE")): (a) all current operating expenses incurred and paid after the initial commercial production; (b) exploration costs, including those accumulated to the commencement of commercial production (at the rate of 33.3% of total accumulated cost per annum); and (c) exploitation capital costs, including those accumulated prior to the commencement of commercial production (at the rate of 33.3% of total accumulated cost per annum).

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

Going concern

These financial statements for the year ended 31 December 2017 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 22, the operation of the mine has been affected by two legal actions. The first of these followed from a decision taken by Egyptian General Petroleum Corporation ("EGPC") to charge international, not local (subsidised) prices for the supply of DFO, and the second arose as a result of a judgment of the Administrative Court of first instance in relation to, amongst other matters, the Company's 160km^2 exploitation lease. In relation to the first decision, the Company remains confident that in the event that it is required to continue to pay international prices, the mine at Sukari will remain commercially viable. Similarly, the Company remains confident that the appeal it has lodged in relation to the decision of the Administrative Court will ultimately be successful, although final resolution of it may take some time. On 20 March 2013 the Supreme Administrative Court upheld the Company's application to suspend the decision until the merits of the Company's appeal were considered and ruled on, thus providing assurance that normal operations will be able to continue during this process.

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

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

Accounting policies

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

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

Cash and cash equivalents

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

Financial instruments

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

Financial liabilities and equity

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

Equity instruments

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

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

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

Financial assets

Financial assets are recognised when, and only when, the entity becomes a party to the contractual provisions of the instrument, and are initially measured at fair value, net of transaction costs except for those financial assets classified as at fair value through the profit or loss which are initially measured at fair value.

Subsequent to initial recognition, investments in subsidiaries are measured at cost in the Company 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.

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

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

Available-for-sale ("AFS") financial assets
Listed shares and listed redeemable notes held by the group that are traded in an active market are classified as being AFS and are stated at fair value. Fair value is determined in the manner described in note 28. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated profits with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is reclassified to profit or loss.

Dividends on AFS equity instruments are recognised in profit or loss when the group's right to receive the dividends is established.

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the balance sheet date. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

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

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

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

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

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

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

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

Liabilities recognised in respect of employee benefits expected to be settled within twelve months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of employee benefits which are not expected to be settled within twelve months are measured 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.

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

- 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, the relevant exploration and evaluation asset is tested for impairment, reclassified to mine development properties, and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced.

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

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

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

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise.

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.

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

Inventory comprises ore stockpiles, gold in circuit and finished goods which are valued by applying absorption costing methodology.

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 23).

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

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

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

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

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

Freehold land is not depreciated.

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

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

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

Mine development properties
Where mining of a mineral resource has commenced, the accumulated costs are transferred from exploration and evaluation assets to mine development properties, 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 units of production basis, whereby the denominator is estimated ounces of gold in proven and probable reserves within that ore block or area where it is considered probable that those resources will be extracted economically.

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

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

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

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

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

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

As at 31 December 2017, no stripping costs have been deferred.

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

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

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

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

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

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

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

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

Production royalty

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

Other income

Interest income

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

Share‑based payments

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

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

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

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non‑transferability, exercise restrictions, and behavioural considerations. Further details on how the fair value of equity settled share‑based transactions has been determined can be found in note 20. At each reporting date, the group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with corresponding adjustment to the equity settled employee benefits reserve.

Issued capital

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

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

Taxation

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

Current tax

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

Deferred tax

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

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

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

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

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

Restoration and rehabilitation

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

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

4. Critical accounting judgments

Critical judgments in applying the entity's accounting policies

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

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

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, that there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the target being delineated as a mineral resource.

Mineral reserve and resource statement

The group published a Mineral Reserve and Resource statement for the Sukari gold mine on 10 January 2018 with an effective date of 30 June 2017. The group reports its Mineral Resources and Ore Reserves in accordance with NI 43-101. The most current statement has used an assumed gold price of US$1,300 per ounce as a basis of preparation. The information on the Mineral Resources and Ore Reserves is prepared by Qualified Persons as defined by the instrument.

There are numerous uncertainties inherent in estimating Mineral Resources and Ore Reserves. Assumptions that are valid at the time of estimation may change significantly when new information becomes available.

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

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

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

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

The key assumptions previously applied in impairment reviews are:

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

Recovery of capitalised exploration evaluation and development expenditure

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

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

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 22 to the financial statements). Judgment is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement.

The group is currently a party to two legal actions both of which could affect its ability to operate the mine at Sukari in the manner in which it is currently operated and adversely affect its profitability. The details of this litigation, which relate to the loss of the Egyptian national subsidy for Diesel Fuel Oil and the Concession Agreement under which Sukari operates, are given in note 22 to the financial statements and in the most recently filed Annual Information Form ("AIF") which is available on SEDAR at www.sedar.com. Although it is possible to quantify the effects of the loss the national fuel subsidy, it is not currently possible to quantify with sufficient precision the 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.

Going concern

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

Based on a detailed cash flow forecast prepared by management, in which it included any reasonably possible change in the key assumptions on which cash flow forecast is based, the directors have a reasonable expectation that the group will have adequate resources to continue in operational existence for 12 months from 31 January 2018. Key assumptions underpinning this forecast include:

- litigation as discussed in note 22 to the financial statements;
- forecast gold price;
- production volumes; and
- costs and recovery rates.

These financial statements for the year ended 31 December 2017 have therefore been prepared on a going concern basis, which contemplate the realisation of assets and liquidation of liabilities during the normal course of operations, in preparing the financial statements.

Accounting treatment of Sukari Gold Mines ("SGM")

SGM is consolidated within the Centamin group of companies, reflecting the substance and economic reality of the Concession Agreement (see note 23 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.
- 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 which the Company directs through Pharaoh Gold Mines NL (holder of an Egyptian branch) in relation to the operation of the Sukari Gold Mines:

- Conducting exploration, development, production and marketing operations.
- Coordinating 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 programs during the production phase.
- Preparing SGM's work programs and budget covering the operations to be carried out throughout the life of the mine and approval of the same.
- Approval of the annual budget.
- Approval of expenditure and recharges.
- Custody of SGM's stock and management of its funds,
- Shipping, marketing and selling of all gold and associated metals produced.
- Entering into and managing gold sales or hedging contracts and forward sale agreements.
- Appointment of the Chairman of the Board of Directors.

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 to consolidate the SGM's results within the Centamin group of companies to reflect the substance and economic reality of the Concession Agreement.

Other critical accounting judgements, estimates and assumptions are discussed in the following notes

Gold Price

The realised gold price has a direct impact on the group's post-tax profit for the year and cash generation. Please refer to market risk note 28(c).

Fuel price

Diesel fuel oil is one of the single biggest individual costs for the operation. Any variation in the fuel price has a direct impact on the mine production costs. Please refer to market risk note 28(d).

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. Please refer to market risk note 28(j).

5. Revenue

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

	31 December 2017 US$'000	31 December 2016 US$'000
Gold sales (Including pre-production gold sales related to Cleopatra)	**680,513**	686,306
Less: Pre-production gold sales related to Cleopatra – transferred to exploration and evaluation asset	**(6,170)**	—
Gold sales (Excluding pre-production gold sales related to Cleopatra)	**674,343**	686,306
Silver sales	**1,167**	1,081
	675,510	687,387

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

6. Profit before tax

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

	31 December 2017 US$'000	31 December 2016 US$'000
Finance income		
Interest received	**2,729**	917
Expenses		
Cost of sales		
Mine production costs (Including costs related to gold produced from Cleopatra)	**(308,892)**	(288,317)
Mine production costs related to gold produced from Cleopatra – transferred to exploration and evaluation asset	**1,329**	—
Mine production costs	**(307,563)**	(288,317)
Movement in inventory	**(2,490)**	5,926
Depreciation and amortisation	**(104,288)**	(106,885)
	(414,341)	(389,276)

	31 December 2017 US$'000	31 December 2016 US$'000
Other operating costs		
Corporate compliance	**(1,281)**	(1,746)
Auditing fees	**(656)**	(641)
Corporate consultants	**(338)**	(370)
Communications and IT	**(188)**	(169)
Salary and wages	**(6,202)**	(5,353)
Travel, accommodation and entertainment	**(731)**	(859)
Office rents and lease payment	**(166)**	(156)
Other administration expenses	**(193)**	(207)
Insurances	**(387)**	(225)
Other taxes	**(3)**	(1,400)
Employee equity settled share-based payments	**(2,535)**	(2,478)
Corporate costs (sub-total)	**(12,680)**	(13,604)
Impairment reversal	—	484
Other provisions	**(1,170)**	—
Provision for stock obsolescence	**(2,636)**	(2,500)
Office related depreciation	**(274)**	(87)
Fixed royalty – attributable to the Egyptian government	**(20,404)**	(20,575)
Foreign exchange gain/(loss), net	**1,470**	5,025
Finance charges	**(341)**	(239)
Loss on disposal of asset	**(263)**	—
Provision for restoration and rehabilitation – unwinding of discount	**(629)**	(581)
	(36,927)	(32,077)

7. EMRA profit share

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

Payments made to EMRA pursuant to the provisions of the Concession Agreement are recognised as a variable charge in the income statement (below profit after tax) of Centamin, which leads to a reduction in the earnings per share. The profit share payments during the year will be reconciled against SGM's audited financial statements. The SGM financial statements for the year ended 30 June 2017 have not been signed off at the date of this report and are in the process of being audited.

Certain terms of the Concession Agreement 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) Income statement and balance sheet impact

	31 December 2017 US$'000	31 December 2016 US$'000
Income statement		
EMRA profit share(1)	**(112,629)**	(51,253)
Balance sheet		
EMRA opening profit share accrual	**4,000**	—
EMRA accrual/(release)	**1,000**	4,000
EMRA closing profit share accrual	**5,000**	4,000

(1) Profit share commenced during the third quarter of 2016.

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 accrual or prepayment in each reporting period.

b) Cash flow statement impact

	31 December 2017 US$'000	31 December 2016 US$'000
Cash flows		
EMRA cash payments during the year(1)	**111,629**	18,503

(1) Profit share commenced during the third quarter of 2016.

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

c) SGM cash flow statement extract

In order to reconcile the cash payments made during the period, the SGM cash flow statement is tabled below:

	31 December 2017 US$'000	31 December 2016 US$'000
Cash flows		
Cash available for profit share(1)	**279,073**	118,133
60% Profit share to Pharaoh Gold Mines NL(2)	**(167,444)**	(70,880)
40% Profit share to EMRA(3)	**(111,629)**	(47,253)
EMRA accrual	**1,000**	4,000

(1) After US$5,898 million was paid to Pharaoh Gold Mines NL as a cost recovery payment in 2017.

(2) 100% owned subsidiary of Centamin plc with a registered Egyptian branch, refer to note 23 Subsidiaries.

(3) Profit share commenced during the third quarter of 2016.

8. Tax

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

In 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.

Relevance of tax consolidation to the consolidated entity

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

Nature of tax funding arrangements and tax‑sharing agreements

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

The tax‑sharing agreement entered into between members of the tax‑consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial 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 2017 US$'000	31 December 2016 US$'000
Current tax		
Current tax expense in respect of the current year	**(2,063)**	(821)
Deferred tax	**—**	—
Total tax expense	**(2,063)**	(821)

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

	31 December 2017 US$'000	31 December 2016 US$'000
Profit before income tax	**224,094**	266,829
Tax expense calculated at 0% (2016: 0%)(1) of profit before tax	**—**	—
Tax effect of amounts which are not deductible/taxable in calculating taxable income:		
Effect of tax different tax rates of subsidiaries operating in other jurisdictions	**(2,063)**	(821)
Tax expense for the year	**(2,063)**	(821)

(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 (2016: 0%). There has been no change in the underlying corporate tax rates when compared to the previous financial period.

Tax recognised in the balance sheet is summarised as follows:

	31 December 2017 US$'000	31 December 2016 US$'000
Current tax liabilities	**469**	—
Non-current tax liabilities	**23**	—

9. Segment reporting

The group is engaged in the business of exploration and mining of precious metals, which represents three operating segments, two in the business of exploration and one in mining of precious metals. The board is the group's chief operating decision maker within the meaning of IFRS 8. 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 the performance in the Egypt, Burkina Faso, Cote d'Ivoire and Corporate (which includes Jersey, United Kingdom and Australia). From a mining of precious metals versus exploration for precious metals perspective, management separately considers the Egyptian mining of precious metals from the West African exploration for precious metals in these geographies. The Egyptian mining operations derive its revenue from sale of gold while the West African entities are currently only engaged in precious metal exploration and do not currently 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, hence the change is disclosure from prior external reporting.

Notes to the consolidated financial statements
for the year ended 31 December 2017

Non‑current assets other than financial instruments by country:

	31 December 2017 US$'000	31 December 2016 US$'000
Egypt	**878,509**	898,423
Burkina Faso	**68,589**	62,232
Côte d'Ivoire	**31,202**	18,248
Corporate	**41,727**	44,317
	1,020,027	1,023,220

Statement of financial position by operating segment:

	31 December 2017 US$'000	**31 December 2017 US$'000**	**31 December 2017 US$'000**	**31 December 2017 US$'000**	**31 December 2017 US$'000**
	Total	**Egypt**	**Burkina Faso**	**Cote d'Ivoire**	**Corporate**
Statement of Financial Position					
Total assets	**1,529,302**	**1,028,927**	**70,116**	**31,640**	**398,619**
Total liabilities	**(77,326)**	**(73,655)**	**(786)**	**(307)**	**(2,578)**
Net assets / Total Equity	**1,451,976**	**955,272**	**69,330**	**31,333**	**396,041**

	31 December 2016 US$'000	31 December 2016 US$'000	31 December 2016 US$'000	31 December 2016 US$'000	31 December 2016 US$'000
	Total	Egypt	Burkina Faso	Cote d'Ivoire	Corporate
Statement of Financial Position					
Total assets	1,584,183	1,059,554	63,494	18,826	442,309
Total liabilities	(59,664)	(54,943)	(1,538)	(298)	(2,885)
Net assets / Total Equity	1,524,519	1,004,611	61,956	18,528	439,424

Statement of comprehensive income by operating segment:

	31 December 2017 US$'000	**31 December 2017 US$'000**	**31 December 2017 US$'000**	**31 December 2017 US$'000**	**31 December 2017 US$'000**
	Total	**Egypt**	**Burkina Faso**	**Cote d'Ivoire**	**Corporate**
Statement of Comprehensive Income					
Revenue	**675,510**	**675,510**	—	—	—
Cost of sales	**(414,341)**	**(414,341)**	—	—	—
Gross profit	**261,169**	**261,169**	—	—	—
Other income	**680**	**23**	—	—	**657**
Other operating costs	**(36,927)**	**(25,483)**	**197**	**96**	**(11,737)**
Impairment of exploration and evaluation assets	**(3,557)**	—	**(35)**	**(972)**	**(2,550)**
Finance income	**2,729**	**41**	—	—	**2,688**
Profit/(loss) for the year before tax	**224,094**	**235,750**	**162**	**(876)**	**(10,942)**
Tax	**(2,063)**	**(513)**	—	—	**(1,550)**
Profit/(loss) for the year after tax	**222,031**	**235,237**	**162**	**(876)**	**(12,492)**
EMRA profit share	**(112,629)**	**(112,629)**	—	—	**—**
Profit/(loss) for the year after EMRA profit share	**109,402**	**122,608**	**162**	**(876)**	**(12,492)**

	31 December 2016 US$'000	31 December 2016 US$'000	31 December 2016 US$'000	31 December 2016 US$'000	31 December 2016 US$'000
	Total	Egypt	Burkina Faso	Cote d'Ivoire	Corporate
Statement of Comprehensive Income					
Revenue	687,387	687,387	—	—	—
Cost of sales	(389,276)	(389,276)	—	—	—
Gross profit	298,111	298,111	—	—	—
Other income	—	—	—	—	—
Other operating costs	(32,077)	(21,032)	(549)	(170)	(10,326)
Impairment of exploration and evaluation assets	(122)	(37)	—	—	(85)
Finance income	917	72	—	—	845
Profit/(loss) for the year before tax	266,829	277,114	(549)	(170)	(9,566)
Tax	(821)	(43)	—	—	(778)
Profit/(loss) for the year after tax	266,008	277,071	(549)	(170)	(10,344)
EMRA profit share	(51,253)	(51,253)	—	—	—
Profit/(loss) for the year after EMRA profit share	214,755	225,818	(549)	(170)	(10,344)

Exploration expenditure by operating segment

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

	1 January to 31 December 2017 US$ million	1 January to 31 December 2016 US$ million
Burkina Faso	**6.4**	26.3
Cote d'Ivoire	**13.9**	12.7
Egypt (Sukari tenement including Cleopatra)	**10.6**	10.5
Total exploration expenditure	**30.9**	49.5

10. Trade and other receivables

	31 December 2017 US$'000	31 December 2016 US$'000
Non-current		
Other receivables – deposits	**96**	81
	96	81

	31 December 2017 US$'000	31 December 2016 US$'000
Current		
Gold and silver sales debtors	**31,007**	23,009
Other receivables	**3,460**	1,861
	34,467	24,870

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

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

The average age of the receivables is 9 days (2016: nine days). No interest is charged on the receivables. There are no trade receivables past due and impaired at the reporting date, and thus no allowance for doubtful debts has been recognised. Of the trade receivables balance, the gold and silver sales debtor is all a receivable from Asahi Refining of Canada. The amount due has been received in full subsequent to year end. Other receivables represent GST and VAT amounts owing from the various jurisdictions that the group operates in and inventory returns to vendors where refunds are expected to occur.

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

Notes to the consolidated financial statements
for the year ended 31 December 2017

11. Inventories

	31 December 2017 US$'000	31 December 2016 US$'000
Mining stockpiles and ore in circuit	**31,728**	34,217
Stores inventory(1)	**78,618**	96,865
Provision for obsolete stores inventory(2)	**(5,136)**	(2,500)
	105,210	128,582

(1) Prepayments for items within the inventory balance were identified by management for which the risks and rewards of ownership had not passed, and as such these have been reclassified from inventory to prepayments, refer to note 3.

(2) Per IAS 2 Inventories, it is required to show the provision for obsolete inventory within the inventory note as the inventory balance in the statement of financial position should be net of such a provision, as such this has been reclassified from provisions to inventory, refer to note 3.

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12. Prepayments

	31 December 2017 US$'000	31 December 2016 US$'000
Current		
Prepayments(1)	**7,545**	6,631
Fuel prepayments	**2,248**	877
	9,793	7,508

(1) Prepayments for items within the inventory balance were identified by management for which the risks and rewards of ownership had not passed, and as such these have been reclassified from inventory to prepayments, refer to note 3.

	31 December 2017 US$'000	31 December 2016 US$'000
Non-current		
Prepayments	—	295
	—	295

Movement in fuel prepayments

	31 December 2017 US$'000	31 December 2016 US$'000
Balance at the beginning of the year	**877**	3,169
Fuel prepayment recognised	**42,869**	23,014
Less: Provision charged to:		
Mine production costs	**(39,030)**	(22,844)
Property, plant and equipment	**(2,761)**	(2,269)
Inventories	**292**	(193)
Balance at the end of the year	**2,247**	877

Cumulative fuel prepayment and provision recognised

	31 December 2017 US$'000	31 December 2016 US$'000
Fuel prepayment recognised	**274,088**	231,218
Less: Provision charged to:		
Mine production costs	**(257,030)**	(218,000)
Property, plant and equipment	**(16,880)**	(14,120)
Inventories	**(1,098)**	(1,390)
Fuel advance down payment	**3,167**	3,169

Diesel Fuel Oil ("DFO") dispute

As more fully described in note 22 below, the group is currently involved in court action concerning the price at which it is supplied with DFO. Since January 2012, the group has had to pay for DFO at the international price rather than the subsidised price which it believes it is entitled to. It is seeking recovery of the funds advanced since 2012 through court action. However, management recognises the practical difficulties associated with reclaiming funds from the government and for this reason has, fully provided against the prepayment of US$274.1 million to 31 December 2017 of which US$42.9 million was provided for during 2017.

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

This has resulted in a net charge of US$41.9 million in the profit and loss for the year.

	31 December 2017			31 December 2016		
	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	**(268,533)**	**(39,030)**	**(307,563)**	(265,473)	(22,844)	(288,317)
Movement in inventory	**341**	**(2,831)**	**(2,490)**	7,710	(1,784)	5,926
Depreciation and amortisation	**(104,288)**	**—**	**(104,288)**	(106,885)	—	(106,885)
	(372,480)	**(41,861)**	**(414,341)**	(364,648)	(24,628)	(389,276)

The effect on earnings per share is shown below:

	31 December 2017			31 December 2016		
	Before adjustment US$'000	**Adjustment US$'000**	**Total US$'000**	Before adjustment US$'000	Adjustment US$'000	Total US$'000
Earnings per share before profit share:						
Basic (cents per share)	**22.942**	**(3.639)**	**19.303**	25.315	(2.145)	23.170
Diluted (cents per share)	**22.765**	**(3.611)**	**19.154**	25.188	(2.134)	23.054
Earnings per share after profit share:						
Basic (cents per share)	**13.150**	**(3.639)**	**9.511**	20.850	(2.145)	18.705
Diluted (cents per share)	**13.049**	**(3.611)**	**9.483**	20.746	(2.134)	18.612

13. Property, plant and equipment

	Office equipment US$'000	Buildings US$'000	Plant and equipment US$'000	Mining equipment US$'000	Mine development properties US$'000	Capital work in progress US$'000	Total US$'000
Cost							
Balance at 31 December 2016	6,052	2,019	584,113	249,491	365,902	75,775	1,283,352
Additions	744	32	7,304	25,485	3,186	40,122	76,873
Increase in rehabilitation asset	—	—	—	—	2,542	—	2,542
Transfers from capital work in progress	—	—	—	—	77,899	(77,899)	—
Transfers from exploration and evaluation asset	—	—	—	—	7,584	—	7,584
Disposals	—	—	(316)	—	—	—	(316)
Balance at 31 December 2017	**6,796**	**2,051**	**591,101**	**274,976**	**457,113**	**37,998**	**1,370,035**
Accumulated depreciation							
Balance at 31 December 2016	(5,400)	(412)	(127,913)	(129,610)	(151,091)	—	(414,426)
Depreciation and amortisation	(490)	(136)	(29,060)	(34,292)	(40,584)	—	(104,562)
Disposals	—	—	52	—	—	—	52
Balance at 31 December 2017	**(5,890)**	**(548)**	**(156,921)**	**(163,902)**	**(191,675)**	**—**	**(518,936)**
Cost							
Balance at 31 December 2015	5,535	1,194	582,854	241,316	316,304	32,469	1,179,672
Additions	547	825	1,474	8,733	2,075	43,306	56,960
Transfers	—	—	—	—	47,523	—	47,523
Disposals	(30)	—	(215)	(558)	—	—	(803)
Balance at 31 December 2016	**6,052**	**2,019**	**584,113**	**249,491**	**365,902**	**75,775**	**1,283,352**
Accumulated depreciation							
Balance at 31 December 2015	(4,867)	(293)	(98,504)	(100,826)	(103,715)	—	(308,205)
Depreciation and amortisation	(558)	(119)	(29,496)	(29,424)	(47,376)	—	(106,973)
Disposals	25	—	87	640	—	—	752
Balance at 31 December 2016	**(5,400)**	**(412)**	**(127,913)**	**(129,610)**	**(151,091)**	**—**	**(414,426)**
Net book value							
As at 31 December 2016	652	1,607	456,200	119,881	214,811	75,775	868,926
As at 31 December 2017	**906**	**1,503**	**434,180**	**111,074**	**265,438**	**37,998**	**851,099**

No impairment review was performed in 2016 or 2017 as no indicators of impairment were identified.

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.

14. Exploration and evaluation asset

	31 December 2017 US$'000	31 December 2016 US$'000
Balance at the beginning of the period	**153,918**	152,077
Expenditure for the period	**30,896**	49,487
Net pre-production gold sales related to Cleopatra	**(4,841)**	—
Transfer to property, plant and equipment	**(7,584)**	(47,524)
Impairment of exploration and evaluation asset	**(3,557)**	(122)
Balance at the end of the period	**168,832**	153,918

The exploration and evaluation asset relates to the drilling, geological exploration and sampling of potential ore reserves and can be attributed to Egypt (US$28.7 million) Burkina Faso (US$109.4 million, including items relating to the acquisition of Ampella Mining Limited) and Côte d'Ivoire (US$30.7 million). The impairment of exploration and evaluation assets relates to costs of permits that have expired and have not been renewed.

15. Available‑for‑sale financial assets

	31 December 2017 US$'000	31 December 2016 US$'000
Balance at the beginning of the period	**130**	163
Loss on foreign exchange movement	**86**	(78)
Gain on fair value of investment – other comprehensive income	**(91)**	45
Balance at the end of the period	**125**	130

The available‑for‑sale financial asset at period end relates to a 5.33% (2016: 5.33%) equity interest in Nyota Minerals Limited ("NYO"), a listed public company, as well as a 0.29% (2016: 0.53%) equity interest in KEFI Minerals plc ("KEFI"), an AIM listed company.

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

16. Trade and other payables

	31 December 2017 US$'000	31 December 2016 US$'000
Trade payables	**32,540**	23,734
Other creditors and accruals	**24,045**	24,257
	56,585	47,991

Trade payables principally comprise the amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 29 days (2016: 22 days). Trade payables are interest free for periods ranging from 30 to 180 days. Thereafter interest is charged at commercial rates. The group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

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

17. Provisions

	31 December 2017 US$'000	31 December 2016 US$'000
Current(4)		
Employee benefits(1)	**2,510**	367
Fuel(2)	**2,000**	—
Customs, rebates and withholding tax	**4,801**	3,609
	9,311	3,976
Non‑current		
Restoration and rehabilitation(3)	**10,868**	7,697
Other non-current provisions	**93**	—
	10,961	7,697
Movement in restoration and rehabilitation provision		

Balance at beginning of the year	**7,697**	7,139
Additional provision recognised/(provision derecognised)	**2,542**	(23)
Interest expense – unwinding of discount	**629**	581
Balance at end of the year	**10,868**	7,697

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

(2) Fuel provision relates to a backdated fuel charge for quarter 4 of 2017.

(3) The provision for restoration and rehabilitation represents the present value of the directors' best estimate of the future outflow of economic benefits that will be required to remove the facilities and restore the affected areas at the group's sites discounted by 8.01% (2016: 8.17%). This restoration and rehabilitation estimate, which is reviewed on an annual basis, has been made on the basis of benchmark assessments of restoration works required following mine closure and after taking into account the projected area to be disturbed over the life of the mine, being 20 years. The annual review undertaken as at 31 December 2017 has resulted in a $2.542m increase in the provision.

(4) Per IAS 2 Inventories, it is required to show the provision for obsolete inventory within the inventory note as the inventory balance in the statement of financial position should be net of such a provision, as such this has been reclassified from provisions to inventory, refer to note 3.

18. Issued capital

	31 December 2017		31 December 2016	
	Number	**US$'000**	Number	US$'000
Fully paid ordinary shares				
Balance at beginning of the period	**1,152,107,984**	**667,472**	1,152,107,984	665,590
Cancellation of shares	—	—	—	(17)
Transfer from share option reserve	—	**1,260**	—	1,899
Balance at end of the period	**1,152,107,984**	**668,732**	1,152,107,984	667,472

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

At 31 December 2017 the Company held 939,716 ordinary shares in treasury (2016: 2,109,710 ordinary shares). These shares are held by the trustee pursuant to the deferred bonus share plan.

Fully paid ordinary shares carry one vote per share and carry the right to dividends. See note 20 for more details of the share options.

19. Share option reserve

	31 December 2017 US$'000	31 December 2016 US$'000
Share option reserve		
Balance at beginning of the period	**3,048**	2,469
Share-based payments expense	**3,156**	2,937
Transfer to accumulated profits	**(621)**	(459)
Transfer to issued capital	**(1,260)**	(1,899)
Balance at the end of the period	**4,323**	3,048

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

20. Share-based payments

Restricted share plan

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

The awards due to be granted in June 2018 will vest following the passing of three years. Vesting will be subject to the satisfaction of the performance conditions (and the two-year holding period for 50% of the award) which will be divided into five tranches, as set out in the directors' remuneration report. These measures are assessed by reference to current market practice and the remuneration committee will have regard to current market practice when establishing the precise performance conditions for awards.

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

June 2015 Awards

Of the 5,145,000 awards granted on 4 June 2015 under the RSP, 3,015,000 awards remain granted to eligible participants (15 in total) and apply the following performance criteria:

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

- *30% of the Award shall be assessed by reference to compound growth in gold production.*

June 2016 Awards
Of the 4,999,000 awards granted on 4 June 2016 under the RSP, 4,254,000 awards remain granted to eligible participants (28 in total) applying the following performance criteria:

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

June 2017 Awards
Of the 3,459,000 awards granted on 4 June 2017 under the RSP, 3,459,000 awards remain granted to eligible participants (37 in total) applying the following performance criteria:

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

Conditional share awards and options together constitute “Awards” under the plan and those in receipt of Awards are “Award Holders”.

A detailed summary of the scheme rules is set out in the 2016 AGM proxy materials which are available at www.centamin.com. In brief, Awards will vest following the passing of three years from the date of the Award and vesting will be subject to satisfaction of performance conditions. The above measures are assessed by reference to current market practice and the remuneration committee will have regard to market practice when establishing the precise performance conditions for future Awards.

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

Restricted share plan awards granted during the period:

	RSP 2017
Grant date	4 June 2017
Number of instruments	3,459,000
TSR: fair value at grant date GBP(1)	1.16
TSR: fair value at grant date US$(1)	1.49
Reserve, EBITDA and Gold Production: fair value at grant date GBP(1)	1.54
Reserve, EBITDA and Gold Production: fair value at grant date US$(1)	1.97
Vesting period (years)	3
Expected volatility	45.68%
Expected dividend yield (%)	3.6%

(1) The vesting of 20% 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 80% of the awards are subject to reserve, EBITDA and gold production performance conditions. As these are classified as non-market conditions under IFRS 2 they do not need to be taken into account when determining the fair value. These grants have been valued using a Black-Scholes model. The fair value calculated was then converted at the closing GBP:US$ foreign exchange rate on that day.

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

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

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

DBSP awards granted during the period:

	DBSP 2017
Grant date	4 June 2017
Number of instruments	300,000
Share price / Fair value at grant date Tranche 1 £ (2)	1.66
Share price / Fair value at grant date Tranche 1 US$ (2)	2.13
Share price / Fair value at grant date Tranche 2 £ (2)	1.61
Share price / Fair value at grant date Tranche 2 US$ (2)	2.06
Share price / Fair value at grant date Tranche 3 £ (2)	1.54
Share price / Fair value at grant date Tranche 3 US$ (2)	1.97
Vesting period Tranche 1 (years) (3)	1
Vesting period Tranche 2 (years) (3)	2
Vesting period Tranche 3 (years) (3)	3
Expected dividend yield Tranche 1 (%)	3.67%
Expected dividend yield Tranche 2 (%)	3.40%
Expected dividend yield Tranche 3 (%)	3.73%

(1) The fair value of the shares awarded under the DBSP were calculated by using the closing share price on grant date, converted at the closing GBP:US$ foreign exchange rate on that day. No other factors were taken into account in determining the fair value of the shares awarded under the DBSP.

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

21. Commitments

The following is a summary of the Company's outstanding commitments as at 31 December 2017:

(a) Operating lease commitments

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

	31 December 2017 US$'000	31 December 2016 US$'000
Office premises		
No longer than one year	**85**	56
Longer than one year and not longer than five years	**340**	47
Longer than five years	**297**	—
	722	103

Operating lease commitments are limited to office premises in Jersey.

22. Contingent liabilities and contingent assets

Contingent liabilities

Fuel supply

As set out in note 12 above, in January 2012, the group received a letter from Chevron to the effect that Chevron would only be able to supply DFO (Diesel Fuel Oil) to the mine at Sukari at international prices rather than at local subsidised prices. It is understood that the reason that this letter was issued was that Chevron had received a letter instructing it to do so from the EGPC. It is further understood that EGPC itself issued this instruction because it had received legal advice from the Legal Advice Department of the Council of State (an internal government advisory department) that companies operating in the gold mining sector in Egypt were not entitled to such subsidies. In November 2012, the group received a further demand from Chevron for the repayment of fuel subsidies received during the period from late 2009 through to January 2012, for EGP403 million (approximately US$22.7 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. Again, 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 advisors 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$274 million. Refer to Note 12 of these financial statements for further details on the impact of this provision on the group's results for 31 December 2017.

No provision has been made in respect of the historic 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, 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 under way.

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 32 of 2014. Law 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 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 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 160km^2 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 3km^2 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.

Contingent assets

There were no contingent assets at year end (31 December 2016: nil).

Notes to the consolidated financial statements
for the year ended 31 December 2017

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

		Ownership interest	
	Country of incorporation	**31 December 2017 %**	31 December 2016 %
Centamin Egypt Limited	Australia(2)	**100**	100
Pharaoh Gold Mines NL (holder of an Egyptian branch)	Australia(2)	**100**	100
Sukari Gold Mining Co	Egypt(4)	**50**	50
Viking Resources Limited (Liquidated)	Australia(2)	**—**	100
North African Resources NL (Liquidated)	Australia(2)	**—**	100
Centamin West Africa Holdings Limited	UK(3)	**100**	100
Sheba Exploration Limited (holder of an Ethiopia branch)	UK(3)	**100**	100
Sheba Exploration Holdings Limited(1)	UK(3)	**100**	100
Centamin Group Services Limited	Jersey(8)	**100**	100
Centamin Holdings Limited	Jersey(8)	**100**	100
Centamin Limited	Bermuda(7)	**100**	100
Ampella Mining Limited	Australia(2)	**100**	100
Ampella Share Plan Limited	Australia(2)	**100**	100
Ampella Mining Gold Pty Limited	Australia(2)	**100**	100
West African Gold Reserve Pty 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: 57 Kishorn Road, Mount Pleasant, WA 6153
(3) Address of all UK entities: Hill House, 1 Little New Street, London, EC4A 3TR
(4) Address of all Egypt entities: 361 El-Horreya Road, Sedi Gaber, Alexandria, Egypt
(5) Address of all Burkina Faso entities:
Ampella Resources Burkina Faso: 11 BP 1974 Ouaga 11
Ampella Mining SARL: 01 BP 1621 Ouaga 01
Ampella Mining Gold SARL: 11 BP 1974 CMS 11 Ouaga 11
Konkera SA: 11 BP 1974 Ouaga CM11
(6) Address of all Cote 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 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 will be recognised as a variable charge in the income statement.

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

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

24. Auditor's remuneration

The analysis of the auditor's remuneration is as follows:

	31 December 2017 US$'000	31 December 2016 US$'000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	**374**	386
Additional fees relating to the prior year	—	10
Fees payable to the Company's auditor and its associates for other services to the group		
– the audit of the Company's subsidiaries	**86**	94
Total audit fees	**460**	490
Non‑audit fees:		
Audit related assurance services – interim review	**107**	109
Other assurance services	**52**	15
Risk management and advisory services	**13**	—
Other services	**24**	27
Total non‑audit fees	**196**	151

The audit and risk committee and the external auditor have safeguards in place to avoid the possibility that the auditor's objectivity and independence could be compromised. These safeguards include the implementation of a policy on the use of the external auditor for non ‑audit related services.

Where it is deemed that the work to be undertaken is of a nature that is generally considered reasonable to be completed by the auditor of the Company for sound commercial and practical reasons, the conduct of such work will be permissible provided that it has been pre‑approved. All these services are also subject to a predefined fee limit. Any work performed in excess of this limit must be approved by the audit and risk committee.

25. Joint arrangements

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

	Percentage interest	
	31 December 2017	31 December 2016
Name of joint operation	**%**	%
Egyptian Pharaoh Investments(1)	**50**	50

(1) Dormant company.

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

26. Earnings per share (“EPS“)

	31 December 2017 US cents per share	31 December 2016 US cents per share
Basic earnings per share(1)	**19.303**	23.170
Diluted earnings per share(1)	**19.154**	23.054
Basic earnings per share(2)	**9.511**	18.705
Diluted earnings per share(2)	**9.438**	18.612

(1) Before profit share.

(2) After profit share.

Basic earnings per share

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

	31 December 2017 US$'000	31 December 2016 US$'000
Earnings used in the calculation of basic EPS(1)	**222,031**	266,008
Earnings used in the calculation of basic EPS(2)	**109,402**	214,755

(1) Before profit share.

(2) After profit share.

	31 December 2017 Number	31 December 2016 Number
Weighted average number of ordinary shares for the purpose of basic EPS	**1,150,221,295**	1,148,092,347

Diluted earnings per share

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

	31 December 2017 US$'000	31 December 2016 US$'000
Earnings used in the calculation of diluted EPS(1)	**222,031**	266,008
Earnings used in the calculation of diluted EPS(2)	**109,402**	214,755

(1) Before profit share.

(2) After profit share.

	31 December 2017 Number	31 December 2016 Number
Weighted average number of ordinary shares for the purpose of basic EPS	**1,150,221,295**	1,148,092,347
Shares deemed to be issued for no consideration in respect of employee options	**8,993,379**	5,755,404
Weighted average number of ordinary shares used in the calculation of diluted EPS	**1,159,214,674**	1,153,847,751

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

27. Notes to the statements of cash flows

(a) Reconciliation of cash and cash equivalents

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

	31 December 2017 US$'000	31 December 2016 US$'000
Cash and cash equivalents	**359,680**	399,873

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

	31 December 2017 US$'000	31 December 2016 US$'000
Profit for the year before tax	**224,094**	266,829
Add/(less) non-cash items:		
Depreciation/amortisation of property, plant and equipment	**104,562**	106,973

Inventory obsolescence provision	**2,636**	2,500
Foreign exchange (gain)	**(1,757)**	(4,312)
Impairment (reversal of)/loss on available-for-sale financial assets	**(91)**	45
Loss on disposal of property, plant and equipment	**263**	-
Impairment of exploration and evaluation assets	**3,557**	122
Share-based payments expense	**2,535**	2,478
Changes in working capital during the period:		
(Increase) in trade and other receivables	**(9,596)**	(1,085)
Decrease in inventories	**20,736**	3,693
Increase in prepayments	**(2,286)**	(3,474)
Decrease/(increase) in trade and other payables	**9,859**	(1,838)
Increase in provisions	**8,598**	2,880
Cash flows generated from operating activities	**363,110**	374,811

(c) Non-cash financing and investing activities

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

28. 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 18 and 19. The group operates in Australia, Jersey, Egypt, Burkina Faso and Côte d'Ivoire. None of the group's entities are subject to externally imposed capital requirements.

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

Categories of financial assets and liabilities

	31 December 2017 US$'000	31 December 2016 US$'000
Financial assets		
Available-for-sale assets	**125**	130
Cash and cash equivalents	**359,680**	399,873
Trade and other receivables	**33,745**	24,337
	393,550	424,340
Financial liabilities		
Trade and other payables	**56,585**	47,991

(b) Financial risk management and objectives

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

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

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

(c) Market risk

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

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

	Great British pound		Australian dollar		Egyptian pound	
	31 December 2017 US$'000	31 December 2016 US$'000	**31 December 2017 US$'000**	31 December 2016 US$'000	**31 December 2017 US$'000**	31 December 2016 US$'000
Financial assets						
Cash and cash equivalents	**193**	1,303	**1,493**	4,114	**488**	705
Available-for-sale assets	**110**	113	**15**	17	**—**	—
	303	1,416	**1,508**	4,131	**488**	705
Financial liabilities						
Trade and other payables	**79**	391	**4,569**	628	**2,259**	7,780
	79	391	**4,569**	628	**2,259**	7,780
Net exposure	**224**	1,025	**(3,061)**	3,503	**(1,771)**	(7,075)

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 2017 US$'000	31 December 2016 US$'000	**31 December 2017 US$'000**	31 December 2016 US$'000
US$/GBP increase by 10%	**(18)**	(81)	**(10)**	(10)
US$/GBP decrease by 10%	**18**	81	**10**	10
US$/AUD increase by 10%	**(136)**	(314)	**(2)**	(2)
US$/AUD decrease by 10%	**136**	314	**2**	2
US$/EGP increase by 10%	**(44)**	639	**—**	—
US$/EGP decrease by 10%	**44**	(639)	**—**	—

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

The amounts shown above are the main currencies which the group is exposed to. Centamin also has small deposits in euro (US$63,530) and West African franc (US$452,530), and net payables of US$2,259,367 in euro and US$865,760 in West African franc. A movement of 10% up or down in these currencies would have a negligible effect on the assets/liabilities.

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

(d) Commodity price risk

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

Gold Price

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

	Decrease by 10%	**31 December 2017**	Increase by 10%
	US$/oz	**US$/oz**	US$/oz
Average realised gold price	1,135	**1,261**	1,387
	US$'000	**US$'000**	US$'000
Profit after tax	156,145	**222,031**	288,075

Fuel price

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

	Decrease by 10%	**31 December 2017**	Increase by 10%
	US$/litre	**US$/litre**	US$/litre

Fuel price	0.40	**0.46**	0.50
	US$'000	**US$'000**	US$'000
Increase/(Decrease) in mine production costs	(8,933)	—	5,955
Profit after tax	230,964	**222,031**	216,076

(e) Interest rate risk

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

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

	Weighted average effective interest rate %	Less than one month US$'000	One to twelve months US$'000	More than twelve months US$'000	Total US$'000
31 December 2017					
Financial assets					
Variable interest rate instruments	**0.52**	**179,360**	**175,860**	—	**355,220**
Non-interest bearing	—	**38,330**	—	—	**38,330**
		217,690	**175,860**	—	**393,550**
Financial liabilities					
Non-interest bearing	—	**56,585**	—	—	**56,585**
		56,585	—	—	**56,585**
31 December 2016					
Financial assets					
Variable interest rate instruments	0.24	200,330	200,223	—	400,553
Non-interest bearing	—	23,788	—	—	23,788
		224,118	200,223	—	424,341
Financial liabilities					
Non-interest bearing	—	47,991	—	—	47,991
Non-interest bearing		47,991	—	—	47,991

(f) Liquidity risk

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

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

	Less than one month US$'000	One to twelve months US$'000	More than twelve months US$'000	Total US$'000
31 December 2017				
Financial assets				
Variable interest rate instruments	**179,360**	**175,860**	—	**355,220**
Non-interest bearing	**38,330**	—	—	**38,330**
	217,690	**175,860**	—	**393,550**
Financial liabilities				
Non-interest bearing	**56,585**	—	—	**56,585**
	56,585	—	—	**56,585**
31 December 2016				
Financial assets				
Variable interest rate instruments	200,330	200,223	—	400,553
Non-interest bearing	23,788	—	—	23,788
	224,118	200,223	—	424,341
Financial liabilities				

Non‑interest bearing	47,991	—	—	47,991
	47,991	—	—	47,991

(g) Credit risk

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

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

(h) Fair value

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

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

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

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

	2017			
	Level 1	**Level 2**	**Level 3**	**Total**
Available‑for‑sale financial assets	**125**	—	—	**125**

	2016			
	Level 1	Level 2	Level 3	Total
Available‑for‑sale financial assets	130	—	—	130

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

(j) Ore reserves

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

The following disclosure provides information to help users of the financial statements understand the judgements made about the future and other sources of estimation uncertainty. The key sources of estimation uncertainty described in note 4 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%	**31 December 2017**	Increase by 10%
	US$'000	**US$'000**	US$'000
Amortisation of rehabilitation asset (within mine development properties)	(367)	**(342)**	(321)
Amortisation of mine development properties (remainder)	(42,035)	**(40,242)**	(38,749)
Mine development properties - net book value	263,619	**265,437**	266,951
Property plant and equipment - net book value	849,281	**851,099**	852,613

29. Key management personnel compensation

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

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

	31 December 2017 US$	31 December 2016 US$
Short term employee benefits	**6,919,135**	5,846,954
Long term employee benefits	**—**	—
Post-employment benefits	**8,037**	7,764
Share-based payments	**2,174,475**	2,301,743
	9,101,647	8,156,461

30. Related party transactions

(a) Equity interests in related parties

Equity interests in subsidiaries

Details of the percentage of ordinary shares held in subsidiaries are disclosed in note 23.

Equity interests in associates and jointly controlled arrangements

Details of interests in joint ventures are disclosed in note 25.

(b) Key management personnel compensation

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

(c) Key management personnel equity holdings

The details of the movement in key management personnel equity holdings of fully paid ordinary shares in Centamin plc during the financial period ended 31 December 2017 are as follows:

31 December 2017	**Balance at 1 January 2017**	**Granted as remuneration (“DBSP”)**	**Granted as remuneration (“RSP”)**	**Net other change(1)**	**Balance at 31 December 2017**
J El-Raghy(2)	**53,849,372**	—	—	**(43,349,372)**	**10,500,000**
A Pardey	**2,692,601**	—	**440,000**	**(33,333)**	**3,099,268**
T Schultz	**30,000**	—	—	**2,600**	**32,600**
G Haslam	**102,056**	—	—	**—**	**102,056**
M Arnesen	**49,000**	—	—	**—**	**49,000**
M Bankes	**150,000**	—	—	**—**	**150,000**
R Jerrard	**875,000**	—	**420,000**	**—**	**1,295,000**
Y El-Raghy	**869,530**	—	**72,000**	**(262,777)**	**678,753**
C Boreham	**1,182,977**	—	**209,000**	**(66,666)**	**1,325,311**
J Stephens	—	**300,000**	**329,000**	**—**	**629,000**
N Bailie	—	—	**166,000**	**—**	**166,000**
M Smith	**670,000**	—	**166,000**	**(133,333)**	**702,667**
D Le Masurier	**540,000**	—	**107,000**	**(100,000)**	**547,000**
H Brown	**460,000**	—	**56,000**	**(200,000)**	**316,000**

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

(2) Includes the El-Raghy family.

Since 31 December 2017 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 2016 are as follows:

31 December 2016	Balance at 1 January 2016	Granted as remuneration (“DBSP”)	Granted as remuneration (“RSP”)	Net other change(1)	Balance at 31 December 2017
J El-Raghy(2)	71,445,086	—	—	(17,595,714)	53,849,372
T Schultz	30,000	—	—	—	30,000
G Haslam	102,056	—	—	—	102,056
M Arnesen	49,000	—	—	—	49,000
M Bankes	150,000	—	—	—	150,000
A Pardey	2,968,800	—	690,000	(966,199)	2,692,601
R Jerrard	—	—	875,000	—	875,000
Y El-Raghy	780,633	—	140,000	(51,103)	869,530
C Boreham	1,039,644	—	210,000	(66,667)	1,182,977
M Smith	—	400,000	270,000	—	670,000

D Le Masurier	500,000	—	160,000	(120,000)	540,000
H Brown	650,000	—	60,000	(250,000)	460,000

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

(2) Includes the El-Raghy family.

(d) Key management personnel share option holdings

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

(e) Other transactions with key management personnel

The related party transaction for the year ended 31 December 2017 is summarised below:

- Salaries, superannuation contributions, bonuses, LTI's, consulting and directors' fees paid to Directors during the year ended 31 December 2017 amounted to US$4,001,383 (31 December 2016: US$3,754,145).

- Josef El‑Raghy is a director and shareholder of El‑Raghy Kriewaldt Pty Ltd ("El‑Raghy Kriewaldt"). El‑Raghy Kriewaldt provides office premises to the Company. All dealings with El‑Raghy Kriewaldt are in the ordinary course of business and on normal terms and conditions. Rent and office outgoings paid to El‑Raghy Kriewaldt during the period were AU$70,564 or US$54,269 (31 December 2016: AU$69,600 or US$51,710).

(f) Transactions with the government of Egypt

Royalty costs attributable to the government of Egypt of US$20,404,473 (2016: US$20,574,673) were incurred in 2017.

Profit share to EMRA of US$112,629,332 (2016: US$51,253,333) was incurred in 2017.

(g) Gold sales agreement

On 20 December 2016, SGM entered into a contract with the Central Bank of Egypt ("CBE"). The agreement provides that the parties may elect, on a monthly basis, for the CBE to supply SGM with its local Egyptian currency requirements for that month (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). Two transactions have been entered into at the date of this report, pursuant to this agreement and the values related thereto are as follows:

	31 December 2017 US$	31 December 2016 US$
Gold purchased	**5,619,063**	—
Refining costs	**3,303**	—
Freight costs	**8,500**	—
	5,630,866	—

At 31 December 2017 the net payable in EGP owing to the Central Bank of Egypt is approximately the equivalent of US$43,660.

(h) Transactions with other related parties

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

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

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

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

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

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

31. Dividends per share

The dividends paid in 2017 were US$184,388,830 and are reflected in the consolidated statement of the changes in equity for the period (2016: US$46,072,599).

A final dividend in respect of the year ended 31 December 2017 of 10.0 US cents per share, totalling approximately US$115.2 million has been proposed by the board of directors and is subject to shareholder approval at the annual general meeting on 26 March 2018. 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 pay-out level relative to cash flow while considering the financial condition of, and outlook for, the Company. When determining the amount to be paid the board will take into consideration the underlying profitability of the Company and significant known or expected funding commitments. Specifically, the board will aim to approve an annual dividend of at least 30% of the Company's net cash flow after sustaining capital costs and following the payment of profit share due to the government of Egypt.

32. Subsequent events

As referred to in note 31 subsequent to the year end, the board proposed a final dividend for 2017 of 10.0 US cents per share. Subject to shareholder approval at the annual general meeting on 26 March 2018, the final dividend will be paid on 6 April 2018 to shareholders on the record date of 23 March 2018.

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

Forward looking statements

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

QUALIFIED PERSON AND QUALITY CONTROL

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

Investors should be aware that the reserve and resource estimate dated 30 June 2017, and announced on 10 January 2018 does not constitute a material change on the prior reserve and resource estimate and an updated NI 43-101 resource and reserve report was not required to be prepared.

Information of a scientific or technical nature in this document was prepared under the supervision of Quinton De Klerk of Cube Consulting Pty Ltd, Australia, a qualified person under the Canadian National Instrument 43-101.

The total mineral resource was prepared by Norman Bailie of Centamin plc. The open pit mineral reserve and underground mineral reserve were prepared by Quinton De Klerk of Cube Consulting Pty Ltd, Australia. The underground mineral resource was prepared by Mark Zammit of Cube Consulting Pty Ltd, Australia. Mr Bailie, Mr Zammit and Mr De Klerk are Qualified Persons under the Canadian National Instrument 43-101.

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

Cautionary note regarding forward‑looking statements

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

This announcement contains "forward-looking information" (or "forward-looking statements") which may include, but are not limited to, statements with respect to the future financial or operating performance of the Company, its subsidiaries and its projects (including the Sukari Project), 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 the Sukari Project.

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.

This announcement contains periodic regulated information.
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