16 March 2022

Centamin plc

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

FULL YEAR 2021 RESULTS

full year results for the twelve months ended 31 December 2021

MARTIN HORGAN, CEO, COMMENTED: "*Delivery towards our strategic objectives was the standout achievement in 2021, placing Centamin in a much stronger position going forward and laying the foundations for long-term success. We safely delivered annual production and cost guidance and made excellent progress on our key capital projects. The completion of our Sukari Life of Asset review delivered a significant mineral reserve uplift, identified further growth and cost savings opportunities, and underpinned a robust 12 year life of mine plan with a clear roadmap to achieving a consistent +500,000 ounce production profile. We completed a value assessment and ranking of our organic growth pipeline, resulting in progressing the Doropo Project to PFS stage and secured 3,000km^2 of exploration ground in the highly prospective Egyptian Eastern Desert. Balancing our growth plans with shareholder returns, today we announced a 5 US cent final dividend for 2021 and expressed our intention to pay a minimum 5 US cent 2022. I would like to thank our team at Centamin and more broadly our stakeholders, including our government partners, whose support and hard work has enabled us to deliver what has been a transformational year for Centamin.*"

FINANCIAL HIGHLIGHTS

- New safety record at Sukari Gold Mine ("Sukari") achieving 5.2 million hours LTI free
- Revenue of US$733 million, generated from gold sales of 407,252 oz at an average realised gold price of US$1,797/oz sold
- Adjusted EBITDA of US$329 million, at a 45% margin
- Profit before tax of US$154 million, including accelerated amortisation for the period
- Basic earnings per share ("EPS") of 8.8 US cents per share
- US$27 million of gross cost-savings in 2021, for a cumulative US$71 million delivered of the US$150 million cost-saving target by 2024
- Strong balance sheet with no debt or hedging, and cash and liquid assets of US$257 million, as at 31 December 2021
- The Board has proposed a final dividend of 5 US cents per share, equating to US$58 million to be distributed to shareholders, subject to shareholder approval at the annual general meeting on 10 May 2022, bringing total distribution to shareholders for full year 2021 to US$105 million.

2022 OUTLOOK UNCHANGED

- **Gold production**: 430,000 to 460,000 oz
    - Split 45:55 across H1:H2 driven by lower scheduled tonnes from the underground in H1 as the mine transitions to owner-operator
- **Cash costs**: US$900-1,000/oz produced
- **Capital expenditure**: US$225.5 million
    - Split 65:35 across H1:H2 driven by solar, paste fill and underground contractor equipment purchase in Q1
- **All-in sustaining costs**: US$1,275-1,425/oz sold
- **Exploration expenditure**: US$25 million

2022 EVENTS

- Doropo Project (Côte d'Ivoire) pre-feasibility study
- Sukari (Egypt) underground expansion study
- Group capital structure review
- Sukari 36MW Solar farm commissioning
- Sukari Mineral Reserve and Resource update Group exploration update

GROUP FINANCIAL SUMMARY

	Units	FY21	FY20	%	H2 21	H1 21
Gold produced	Oz	**415,370**	452,320	(8%)	211,095	204,275
Gold sold	Oz	**407,252**	468,681	(13%)	203,450	203,802
Cash cost	US$'000	**359,868**	325,188	11%	195,094	164,774
Unit cash cost	US$/oz produced	**866**	719	21%	924	807
AISC	US$'000	**502,366**	485,478	3%	260,661	241,705
Unit AISC	US$/oz sold	**1,234**	1,036	19%	1,281	1,186
Avg realised gold price	US$/oz	**1,797**	1,766	2%	1,797	1,799
Revenue	US$'000	**733,306**	828,737	(12%)	365,902	367,404
Adjusted EBITDA	US$'000	**328,600**	437,555	(25%)	138,173	190,427
Profit before tax	US$'000	**153,647**	314,999	(51%)	36,853	116,794
Profit after tax attrib to the parent	US$'000	**101,527**	155,979	(35%)	42,043	59,484
Basic EPS	US cents	**8.81**	13.53	(35%)	3.65	5.16
Capital expenditure	US$'000	**240,872**	138,396	74%	162,560	78,312
Operating cash flow	US$'000	**309,878**	453,305	(32%)	168,114	141,764
Adjusted free cash flow	US$'000	**(5,998)**	141,768	(104%)	(22,193)	16,195

WEBCAST PRESENTATION AND CONFERENCE CALL

The Company will host a conference call and webcast presentation today, Wednesday 16 March, at 09.30 GMT, to discuss the results with investors and analysts, followed by an opportunity to ask questions. Please find below the required participation details. A replay will be made available on the Company website.

To join the webcast: https://www.investis-live.com/centamin/620a40fb03c5201200352b6a/twrh

Please allow a few minutes to register.

Dial-in telephone numbers:

United Kingdom	+44 (0) 203 936 2999
United States	+1 646 664 1960
South Africa	+27 (0)87 550 8441
All other locations	+44 (0) 203 936 2999

Participation access code: 949534

ABOUT CENTAMIN

Centamin is an established gold producer, with premium listings on both the London Stock Exchange and Toronto Stock Exchange. The Company's flagship asset is the Sukari Gold Mine ("Sukari"), Egypt's largest and first modern gold mine, as well as one of the world's largest producing mines. Since production began in 2009 Sukari has produced circa 5 million ounces of gold, and today has a projected mine life of 12 years.

Through its large portfolio of exploration assets in Egypt and West Africa, Centamin is advancing an active pipeline of future growth prospects, including the Doropo Project in Côte d'Ivoire, and over 3,000km^2 of highly prospective exploration ground in Egypt's Arabian Nubian Shield.

Centamin practices responsible mining activities, recognising its responsibility to not only deliver operational and financial performance but to create lasting mutual benefit for all stakeholders through good corporate citizenship.

FOR MORE INFORMATION

Please visit the website www.centamin.com or contact:

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ENDNOTES

Guidance

The Company actively monitors the developments of the COVID-19 pandemic, global geopolitical uncertainties and macroeconomics, such as global inflation, and guidance may be impacted if the supply chain, workforce or operation are disrupted.

Financials

Full year financial data points included within this report are audited.

Non-GAAP measures

This statement includes certain financial performance measures which are not GAAP measures as defined under International Financial Reporting Standards (IFRS). These include EBITDA and adjusted EBITDA, Cash costs of production, AISC, Cash and liquid assets, Free cash flow and adjusted Free cash flow. Management believes these measures provide valuable additional information for users of the financial statements to understand the underlying trading performance. An explanation of the measures used along with reconciliation to the nearest IFRS measures is provided in the Financial Review.

Profit after tax attributable to the parent

Centamin profit after the profit share split with the Arab Republic of Egypt.

Royalties

Royalties are accrued and paid six months in arrears.

Cash and liquid assets

Cash and liquid assets include cash, bullion on hand, gold sales receivables and financial assets at fair value through profit or loss.

Movements in inventory

Movement in inventory on ounces produced is the movement in mining stockpiles and ore in circuit while the movement in inventory on ounces sold is the net movement in mining stockpiles, ore in circuit and gold in safe inventory.

Gold produced

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

Dividend

All dividends are subject to final Board approval and final dividends are subject to shareholder approval at the Company's annual general meeting.

FORWARD-LOOKING STATEMENTS

This announcement (including information incorporated by reference) contains "forward-looking statements" and "forward-looking information" under applicable securities laws (collectively, "forward-looking statements"), including statements with respect to future financial or operating performance. Such statements include "future-oriented financial information" or "financial outlook" with respect to prospective financial performance, financial position, EBITDA, cash flows and other financial metrics that are based on assumptions about future economic conditions and courses of action. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "believes", "expects", "expected", "budgeted", "forecasts" and "anticipates"." and include production outlook, operating schedules, production profiles, expansion and expansion plans, efficiency gains, production and cost guidance, capital expenditure outlook, exploration spend and other mine plans. Although Centamin believes that the expectations reflected in such forward-looking statements are reasonable, Centamin can give no assurance that such expectations will prove to be correct. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Centamin about future events and are therefore subject to known and unknown risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. In addition, there are a number of factors that could cause actual results, performance, achievements or developments to differ materially from those expressed or implied by such forward-looking statements; the risks and uncertainties associated with the ongoing impacts of COVID-19 or other pandemic, general business, economic, competitive, political and social uncertainties; the results of exploration activities and feasibility studies; assumptions in economic evaluations which prove to be inaccurate; currency fluctuations; changes in project parameters; future prices of gold and other metals; possible variations of ore grade or recovery rates; accidents, labour disputes and other risks of the mining industry; climatic conditions; political instability; decisions and regulatory changes enacted by governmental authorities; delays in obtaining approvals or financing or completing development or construction activities; and discovery of archaeological ruins. Financial outlook and future-ordinated financial information contained in this news release is based on assumptions about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information currently available. Readers are cautioned that any such financial outlook or future-ordinated financial information contained or referenced herein may not be appropriate and should not be used for purposes other than those for which it is disclosed herein. The Company and its management believe that the prospective financial information has been prepared on a reasonable basis, reflecting management's best estimates and judgments at the date hereof, and represent, to the best of management's knowledge and opinion, the Company's expected course of action. However, because this information is highly subjective, it should not be relied on as necessarily indicative of future results. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information or statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19. Forward-looking statements contained herein are made as of the date of this announcement and the Company disclaims any obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Accordingly, readers should not place undue reliance on forward-looking statements.

LEI: 213800PDI9G7OUKLPV84

Company No: 109180

CEO STATEMENT

It is a pleasure to be writing to you as we reflect on the achievements of 2021, laying the foundations which underpin our plans to deliver a multi-asset gold producer whose purpose is to create opportunities for people through responsible mining.

Since becoming your CEO in April 2020, we have undertaken thorough reviews of our strategy, processes and procedures, organisational structure, capital allocation framework and most notably our portfolio in order to better understand the optimal route to unlocking its full potential. These reviews have not only confirmed our belief in the quality of the assets but have also identified numerous organic growth opportunities across the portfolio including taking Sukari to a +500koz producer and advancing Doropo to pre-feasibility study ("PFS") stage to be a second mine. We have also grown our portfolio in 2021, adding 3,000km^2 of highly-prospective greenfield exploration ground within the Egyptian Eastern Desert, further expanding our integrated pipeline of projects, as we look to leverage our position as Egypt's only significant gold producer. As announced in December, we commenced a capital structure review of the Group – we believe it is strategically appropriate to consider introducing a right level of debt onto the balance sheet, in line with our growth objectives.

Integral to our growth plans is our commitment to sustainability. Centamin recognises its societal responsibility as a modern mining company. In 2021 we continued to reinforce our sustainability performance framework on matters including gender diversity and inclusion, tailings management and the impact of climate change.

Climate-related risk is one of the key issues facing society today, and our sector must play its part in achieving the targets required to deliver to keep global warming within acceptable levels. We continue to assess and implement opportunities for the Company to manage and reduce our carbon footprint. You'll be aware of our 36MW Sukari solar farm and the fleet-wide installation of high-performance truck trays that will have a significant impact on reducing our carbon footprint, but there are numerous other projects under review that have the potential to build on this great start and we look forward to updating you later in 2022 on these developments. Through the course of the year we will study in more detail the climate-related risks and opportunities associated with the updated life of mine plan for Sukari and the impact of climate on our business model, strategy and financial statement more broadly. We will develop a climate change strategy that will set ambitious targets for carbon reduction by 2030 and one that strives to align with a trajectory of emission reduction to net-zero by 2050.

HEALTH & SAFETY FIRST

The persistence of the COVID-19 pandemic presented challenges globally. The safeguarding of our people, communities and operations remains a priority. Our COVID-19 protocols combined with the resilience of our business resulted in no material impacts to gold sales and supply chain. We continue to keep full COVID-19 protocols in place at our operations, including vaccination programmes and today greater than 90% of our Group workforce, including contractors, have been vaccinated.

Our people come first and through a proactive approach to safety management, 2021 saw a further annual improvement in our headline safety performance by a 45% year-on-year reduction in lost time injury frequency rate ("LTIFR"). Importantly, we achieved in excess of five million hours worked at Sukari without a lost time injury ("LTI"), which was a new record for the Company.

2021 PERFORMING WHILST TRANSFORMING

2021 was a year of continued delivery for Centamin including meeting our production and cost guidance and excellent progress on our key capital projects. In December 2020, we announced our three-year reset plans and outlook, which framed 2021 as our peak reset year, meaning lower production and higher capital expenditure. Therefore, understandably, our financial results last year were not as strong as previous years but, importantly, our business is in a much stronger position as we invest in our long-term success.

Gold sales of 407,252 ounces, and consequently revenue of US$733 million, were down 13% and 12% respectively, but ahead of our expectations resulting from higher average gold price of US$1,797/oz. Capital expenditure of US$241 million was up 74%, including the outperformance from the critical Sukari open pit waste-stripping programme, commissioning of the second Sukari tailings storage facility, construction commencement of the Sukari solar farm and extensive geological reinterpretation programme. Cash generated from operations was US$310 million, whilst adjusted EBITDA was US$329 million with a margin of 45%. We continue to maintain a strong and flexible balance sheet and finished the year with US$257 million in cash and liquid assets as of 31 December 2021, after distributing US$81 million to shareholders during the year.

Geology is the foundation upon which our business is built – a comprehensive understanding of our orebodies both underpins our ability to ensure consistent and reliable performance while simultaneously identifying growth opportunities. During 2021 we placed significant effort into refocussing our approach to orebody stewardship by establishing new exploration and mineral resource management teams. This change in approach has already seen significant benefits with resource and reserve growth at Sukari, a roadmap to value realisation in West Africa and the clear identification of further growth potential across our newly enlarged portfolio of assets that includes the exploration permits in Egypt.

Demonstrating our belief in the quality of our people and portfolio, we have set and communicated bold and ambitious multi-year operational targets and we have already begun to make notable progress against them:

- **Safety** (2020 to 2023): Targeted 25% reduction year-on-year in lagging safety indicators LTIFR and TRIFR.
- **Production** (2021 to 2024): Targeted 25% growth to 500,000 ounces per annum. Last year was the baseline year with 415,370 ounces produced, in line with annual guidance.
- **Costs** (2020 to 2023): Targeted US$150 million in cost-savings. A total US$72 million of cost-savings realised to date

- **Reserves** (2021 to 2024): Targeted Group Mineral Reserve growth of three million ounces. In 2021, 1.1 million ounces of Mineral Reserves were added at Sukari, before depletion, representing the largest annual increase since production commenced.
- **Life of mine** (2021 to 2024): Targeted increase in Sukari underground life of mine to ten years. In 2021, a 200% increase in underground Mineral Reserves extended the life of mine to eight years.
- **Environmental** (2021 to 2023): Define science-based GHG emission reduction targets by 2030. The 36MW Sukari solar farm is the key decarbonisation initiative currently under construction ahead of commissioning in H2 2022. There are several further initiatives under review including expansion of our existing commitment to renewables, grid connection, fuel switching to liquified natural gas and energy efficiency projects.

DELIVERY AGAINST STRATEGY

We have maintained a clear and consistent strategy at Centamin, and delivery into our strategic objectives was the standout achievement in 2021:

Sukari Value Maximisation

Centamin remains the only commercial scale Egyptian gold producer, having operated the Sukari Gold Mine for more than twelve years, and, based on current gold reserves, has at least a further twelve years of production ahead. This high-quality, long-life asset is the robust foundation of Centamin. Following a period of underperformance, our strategic priority was to put a world-class mine around this world-class orebody. The completion of the Life of Asset Review resulted in a robust life of mine plan that achieves a consistency of production and importantly, informs our roadmap to a consistent production level of 500,000 ounces of gold per annum into the next decade at targeted long-term AISC below US$1,000/oz.

Growth & Diversification

Outside of Sukari, 2021 saw a strategic review of our West African exploration portfolio with the aim of defining a roadmap for the creation and delivery of value for Centamin. The review highlighted the significant opportunity for further value creation at the Doropo project in Cote d'Ivoire which demonstrated the metrics consistent with Centamin's investment hurdles around scale, annual production targets and forecast capital and operating costs. Based on this analysis we commenced the PFS, with supporting drilling and associated environmental and social assessments, which is planned to be completed in H2 2022. Also in Cote d'Ivoire, the ABC exploration project demonstrated the potential to build on the currently identified two million ounce mineral inventory and establish a project with the scale to support development in due course. In respect of the Batie West project in Burkina Faso, the strategic review concluded that while there is a viable project that could be developed it does not meet our investment hurdle criteria. A review of corporate options in respect of Batie West has been on-going since mid-2021, albeit this has been somewhat frustrated by the recent changes in Burkina Faso's political environment.

In 2021 we secured approximately 3,000km^2 of new exploration licences within the Nubian Shield of the Egyptian Eastern Desert. We have commenced desktop exploration as permitting is finalised and we hope to have geologists on the ground commencing a fieldwork programme next quarter. The minimum license spend in the first two years is US$10 million. We expect to spend approximately US$3 million in 2022 and US$6-7 million in 2023. This will form the platform for the Company to take the next steps in identifying further potential gold targets and developing deposits in this underexplored and highly prospective gold belt.

Commitment to stakeholder returns

In 2021, the Arab Republic of Egypt, our partners at Sukari, earned US$97 million in profit share payments and royalties. Meanwhile, recognising 2021 as the peak reset year, the Board honoured their commitment to sustain the 2020 dividend distribution in 2021.

As Egypt's largest gold producer, Centamin is a significant investor and employer in Egypt and more specifically in the Eastern Desert city of Marsa Alam. At the interims, we announced the implementation of our Centamin Capability Framework focussed on workforce development with a particular commitment to the training and promotion of local talent that ensures Sukari provides a broad-based benefit to Egypt's nascent mining sector.

STAKEHOLDER ENGAGEMENT

I personally recognise how crucial clear and transparent stakeholder engagement is to the continued successful operation of our business. In an everchanging world, we are continually exploring and trying new ways to expand our reach and communication with our stakeholders. The pandemic has played a significant part in how we share and store information internally, accelerating our digital transformation towards a more centralised platform. Whereas this is not a replacement for face-to-face interaction, video communication has become an efficient and effective tool. Externally, we have hosted three virtual capital markets events, introduced bi-annual retail investor events and launched our social media platform providing a great opportunity to further convey our corporate personality, as defined by our purpose and values.

Despite COVID-19, throughout 2021, we enjoyed being able to routinely visit our assets and our teams, meet with our government partners and local communities once again.

OUTLOOK

Although the global outlook remains uncertain with regards to geopolitical tensions, potential new COVID-19 variants, and the impact of inflation on the economy, our business has never been so resilient and well placed to navigate future challenges.

For 2022, we have guided higher production volumes of 430,000-460,000 ounces driven by improving open pit grades and increased productivity from the underground operation at AISC of US$1,275-1,425/oz sold reflecting the emerging inflationary pressures and US$226 million comprehensive asset reset and growth investment programme.

As we look to build on the successes of 2021, we can look forward to several key workstreams being completed in 2022. At Sukari this includes resource and reserve updates, the completion of an underground expansion study, the delivery of our key capital projects at the mine and the on-going assessment of further cost saving initiatives such as the ability to connect to grid power. Staying in Egypt, we will commence the exploration work across the Eastern Desert permits and start to demonstrate the significant potential we see in the region. In West Africa we will deliver the Pre-feasibility Study for Doropo and complete the next round of exploration work at ABC in Cote d'Ivoire. Another busy, but exciting year lies ahead.

THANK YOU

After a remarkable 28 years of dedicated service to Centamin, Youssef El-Raghy will be retiring from 1 April 2022. From greenfield exploration to being recognised as a world class mine, the Company owes him a debt of gratitude for his commitment and contribution in making possible what is Sukari today – Egypt's first modern gold mine. Thank you, Youssef, enjoy your well-deserved retirement.

As part of an internal succession programme, Amr Hassouna has been appointed as the Egypt Country Manager. Amr has worked at Centamin for over ten years. His career has progressed through various operating and financial roles at Sukari and in 2021 he was the Sukari Gold Mine General Manager, playing an instrumental role in the delivery of guidance, optimisation studies, cost-savings and our ESG initiatives.

Finally, thank you to all our stakeholders for your continued support, we never take that for granted. We have commenced 2022 with confidence and excitement and look forward to delivering and communicating on our clear roadmap to growing and unlocking further value from Sukari and our exploration portfolio.

Martin Horgan
Chief Executive Officer

CFO STATEMENT

We are fully focussed on managing the bottom line of the business in which to maximise the value at Sukari, deliver growth and diversification combined with sustainable stakeholder returns. Centamin is a financially robust business, committed to responsible mining. In 2020 we set out bold capital investment plans required to sustain and grow our business for the long term and 2021 was about delivery into those plans.

INVESTING IN THE FUTURE

Capital allocation continues to be disciplined and closely qualified against value creation. The Company continues to exercise a balanced approach to responsibly maximising operating cash flow generation, reinvesting for future growth and prioritising sustainable shareholder returns. The Company's liquidity and strength of the balance sheet is fundamental to the longevity of the business and is seriously considered when assessing capital allocation. Centamin has an active growth pipeline through results-driven exploration. These self-funded projects are ranked based on results against our development criteria and prospective returns before capital is allocated.

In December 2020 we announced our three-year capital outlook to put Sukari back on the front foot by improving the long-term sustainability of the operations through increased stripping and underground development to increase mining flexibility. Investment in technology, people and training are additional critical areas as the Company continues to invest to further improve operational performance. In 2021, a key focus was on improving operational efficiencies to achieve consistent operational performance with US$106 million spent on sustaining capital expenditure and US$135 million in non-sustaining, or 'growth' capital expenditure. Growth projects include the ongoing construction of the hybrid solar plant, reducing the reliance on fossil fuels and improving operating costs, and the construction of the underground paste-fill plant.

Capitalisation of open pit waste-stripping

The largest spend category in 2021 was on the deferred stripping which added US$59 million to our balance sheet, US$51 million was included in non-sustaining capital expenditure and related specifically to the work done by the waste-mining contractor, with the balance of US$8 million allocated to sustaining capital expenditure. Some deferred stripping has already been amortised in the year based on ore extracted from these areas.

As more fully described in note 2.9 to the Financial Statements and as required by the Accounting Standards, from 2021, capitalised deferred stripping costs are included in "Mine Development Properties" and amortised using the unit of production method based on total ounces produced for the 'component' of the orebody, which is defined as the respective "stage" of the open pit mine plan. Capitalisation occurs when the strip ratio exceeds the life of mine strip ratio for that stage. Only the costs related to the excess stripping are capitalised. In line with the accelerated stripping programme (2022-2024) we expect to be above the life of mine strip ratio, resulting in a larger quantum to be capitalised to the balance sheet.

STRONG BALANCE SHEET

Centamin continues to maintain a robust financial strategy, with cash and liquid assets[3] of US$257 million as at 31 December 2021. Unique amongst our peers, Centamin has never had debt, hedging nor streaming in place, which was strategically appropriate as we focussed on generating and distributing shareholder returns.

With our renewed longer-term focus and strong emerging growth opportunities, we announced in December that we have launched a capital structure review process. As the business transforms, it is the right time to assess introducing some debt onto our balance sheet thereby increasing our financial flexibility and liquidity as we grow the business. The capital structure review is scheduled to be completed in mid-2022.

FINANCIAL PERFORMANCE

Centamin delivered a resilient performance that was in line with our expectations and guidance for the year.

Revenues decreased year-on-year by 12% to US$733 million, from annual gold sales of 407,252 ounces, down 13%, at an average realised price of US$1,797 per ounce, up 2%. A total of 11,156 ounces of unsold gold bullion was held on site at year end, due to timing of gold shipments across the year end.

As a Group, underlying EBITDA decreased by 33% to US$293 million, at a 40% margin[1], principally driven by;

- an 8% reduction in gold production, as scheduled
- a 38% increase in the combined open pit and underground material mined, some of which has been capitalised to mining properties as a waste stripping asset,
- higher fuel costs to the value of US$23 million,
- US$10 million additional spend on consumables due to increases in reagent prices,
- offset slightly by a higher average realised gold sales price,

[1] EBITDA margin is EBITDA as a percentage of gross revenue.

- EBITDA has been adjusted by an impairment charge of US$35 million to US$329 million Adjusted EBITDA, during the year an impairment trigger was identified for the Burkina Faso exploration and evaluation asset and it was fully impaired, refer to note 1.3.3 in the financial statements for further information.

Profit before tax decreased by 51% to US$154 million, due to the factors below, with basic earnings per share ("EPS") decreasing by 35% to 8.8 US cents.

- a 12% decrease in revenue, in line with reduced gold sales as planned
- a 18% decrease in other income; offset by
- a 13% decrease in other operating costs, mainly due to a 13% decrease in royalties
- US$35.2 million impairment of exploration and evaluation related to our assets in Burkina Faso
- a 20% decrease in greenfield exploration and evaluation expenditure, and
- an 8% increase in cost of sales.

As expected, and in line with our three year reset plans announced in December 2020, Centamin's cash flows and earnings declined in 2021 due to lower gold production and sales, higher costs and increased capital expenditure spend. Operational cash flow decreased by 32% to US$310 million, cash flows from investing activities was impacted mainly by gross capital expenditure of US$241 million (predominantly invested in the long-term sustainability of the business). Adjusted Group free cash flow[2] declined by 104% to negative US$6 million, after profit share distribution of US$75 million to our partner, the Arab Republic of Egypt.

STRINGENT COST MANAGEMENT

Despite significant inflationary pressures experienced towards the end of 2021 and above budgeted material mined, our focus on stringent cost management meant that costs were delivered at the midpoint of our annual guidance.

Average realised gold price on sales improved 2% year-on-year, our AISC margin declined 23% to US$564 per ounce sold. Cash costs of production[3] were US$866 per ounce produced, up 21%, reflecting a 38% increase in open pit mined tonnes and a 6% increase in underground mined tonnes, processed tonnes remained flat year on year and an 8% decrease in gold ounces produced. AISC[3] was US$1,234 per ounce sold, up 19%, mainly due to a 9% increase in mine production costs, 49% increase in sustaining corporate costs and a 10% increase in sustaining capital costs. This was compounded by a 13% decrease in gold ounces sold (which was as scheduled and in line with guidance).

A critical element of our strategy is maximising margins. Our cost savings programme was initially launched to extract a minimum of US$100 million of sustainable costs from the business over 4 years, from 2020 to 2023. This focus on identifying continuous improvements has been adopted across the Group with excellent results. Since 2020 we have delivered US$71 million of cost-savings and combined with the recent outcomes of the Sukari Life of Asset work identifying more cost initiatives, we had the confidence to increase the target from US$100 million to US$150 million.

SHAREHOLDER RETURNS

Stakeholder, and specifically shareholder returns, are central to our company strategy. We have an eight-year track record of returning cash to shareholders, based on our policy linked to free cash flow generation. Our dividend policy makes firm commitments on capital allocation, meaning shareholder interests are always at the centre of what we do.

2021 Dividend

Consistent with the Company's commitment to returning cash to shareholders, and recognising 2021 as the peak reset year, the Board propose a 2021 final dividend, for the year ended 31 December 2021, of 5 US cents per share (c.US$58 million), bringing the proposed total dividend for 2021 to 9 US cents per share (c.US$105 million):

- Interim 2021 dividend paid: 4 US cents per share
- Final 2021 dividend proposed: 5 US cents per share

The final 2021 dividend is subject to shareholder approval at the 2022 AGM on 10 May 2022 and following approval would be paid on 10 June 2022.

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[2] Adjustments made to free cash flow, for example acquisitions or disposals of financial assets at fair value through profit or loss, which are completed through or add to specific allocated available cash reserves.

[3] Cash costs of production, AISC, Adjusted EBITDA, Cash, bullion on hand, gold and silver sales debtor, financial assets at fair value through profit or loss (also known as Cash and liquid assets) and Adjusted free cash flow are Non-GAAP Financial Measures as defined at the end of the Financial Review section.

2022 Dividend

In consideration of Centamin's growth plans, and against a backdrop of global uncertainty and persisting inflationary pressures, the Board wanted to provide shareholders with some clarity on the 2022 dividend. Today we have announced our intention to pay a minimum of 5 US cents for 2022, with upside opportunity aligned with free cash flow generation after growth capital investment.

OUTLOOK

We remain focused on the generation of free cash flow as this is ultimately the metric that matters. We have budgeted for rising costs in 2022, driven by higher consumer price inflation within our operating countries, supply chain pressures on fuel, consumables and shipping costs and tighter labour markets. We have prudently decided not to budget any offsetting impacts of our ongoing cost-savings and improving operating efficiencies and productivity gains until we have a better sense of the longer-term inflationary environment.

But, as Martin said in his statement, *"Sukari can consistently deliver 500,000 ounces of gold per annum into the next decade at targeted long-term AISC below US$1,000/oz."*

Ross Jerrard
Chief Financial Officer

FINANCIAL REVIEW

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December 2021 US$'000	Year ended 31 December 2020 US$'000
Revenue	**733,306**	828,737

Revenue from gold and silver sales for the year decreased by 12% year-on-year to US$733 million (2020: US$829 million), with a 2% increase in the average realised gold sales price to US$1,797 per ounce (2020: US$1,766 per ounce) and a 13% decrease in gold sold to 407,252 ounces (2020: 468,681 ounces).

	Year ended 31 December 2021 US$'000	Year ended 31 December 2020 US$'000
Cost of sales	**(487,376)**	(449,441)

Cost of sales represents the cost of mining, processing, refining, transport, site administration, depreciation, amortisation and movement in production inventories. Cost of sales is up 8% year-on-year to US$487 million, mainly as a result of:

- 9% increase in total mine production costs from US$339 million to US$368 million (+ve), due to:
    - a 12% increase in open pit mining costs (+ve);
    - a 2% increase in underground mining costs (+ve);
    - a 3% increase in processing costs (+ve); offset by
    - a 3% decrease in refinery and transport costs (-ve).
- 12% increase in depreciation and amortisation charges year-on-year from US$125 million to US$139 million (+ve) due to:
    - US$226 million in capital expenditure additions to property, plant and equipment (excl. capital work in progress) which increased the associated depreciation and amortisation charges;
    - slightly offset by lower production in the year.

	Year ended 31 December 2021 US$'000	Year ended 31 December 2020 US$'000
Exploration and evaluation expenditure	**(13,879)**	(17,391)

Exploration and evaluation expenditure comprises expenditure incurred for exploration activities in Côte d'Ivoire and Burkina Faso. Exploration and evaluation costs decreased by US$4 million or 20% as more exploration and evaluation work specifically drilling and assaying at the two Côte d'Ivoire sites was done in 2020 as compared to 2021. The exploration and evaluation asset related to Burkina Faso has been fully impaired in the year, for further information refer to note 1.3.3 in the financial statements.

	Year ended 31 December 2021 US$'000	Year ended 31 December 2020 US$'000
Other operating costs	**(49,100)**	(56,392)

Other operating costs comprise expenditure incurred for communications, consultants, directors' fees, stock exchange listing fees, share registry fees, employee entitlements, general office administration expenses and the 3% royalty payable to the Arab Republic of Egypt ("ARE"). Other operating costs decreased by US$7 million or 13%, mainly as a result of:

- US$3 million decrease in royalty paid to the ARE government (in line with the decrease in gold sales revenue) (-ve);
- In 2020, US$10 million was provided for the possible settlement of EMRA cost recovery items. Subsequent to the 2020 year end an agreement was reached with EMRA and this was reallocated to accruals, as the full amount was provided for in 2020 and no additional provision was required in the 2021 year (-ve); offset by
- US$2 million increase in the provision for obsolete stock (+ve).

Adjusted EBITDA was US$329 million, a decrease of 25% year-on-year, mostly driven by the 12% decrease in revenue and a 17% increase in cash costs per ounce sold in the year. The adjusted EBITDA margin decreased by 8 percentage points to 45%. Profit after tax was US$154 million, down 51% year-on-year, which was impacted by the impairment of the Burkina Faso exploration and evaluation asset of US$35 million. Basic earnings per share was 8.8 US cents, a decrease of 35% year-on-year.

	Year ended 31 December 2021 US$'000	Year ended 31 December 2020 US$'000
Dividend paid – non-controlling interest in Sukari Gold Mining Company (SGM) (being EMRA)	**(75,200)**	(174,275)

The profit share payments during the year are reconciled against SGM's audited financial statements. Any variation between payments made during the year (which are based on the Company's estimates) and the audited financial statements, may result in a balance due and payable to EMRA or advances to be offset against future distributions. SGM's 30 June 2021 financial statements have been audited and signed off.

Refer to note 1.3.1.2 for details of the treatment and disclosure of the EMRA profit share.

	Year ended 31 December 2021 US cents per share	Year ended 31 December 2020 US cents per share
Earnings per share attributable to owners of the parent:		
Basic (US cents per share)	**8.81**	13.53

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 December 2021 US$'000	31 December 2020 US$'000
Current assets		
Inventories – mining stockpiles and consumables	**128,721**	118,705
Trade and other receivables	**32,579**	18,424
Prepayments	**7,964**	8,908
Cash and cash equivalents	**207,821**	291,281
Total current assets	**377,085**	437,318

Current assets have decreased by US$60 million or 14% mainly as a result of:

- US$83 million decrease in net cash (net of foreign exchange movements) (-ve) driven by reduced profit for the year less payment of the 2020 final dividend of US$34 million, the payment of the 2021 interim dividend of US$46 million and a US$75 million payment to EMRA as distributions to the NCI

The Group has a strong and flexible balance sheet with no debt, no hedging and cash and liquid assets of US$257 million (2020: US$310 million). Refer to note 3 under Non-GAAP Financial Measures below for details of this non-GAAP measure.

	31 December 2021 US$'000	31 December 2020 US$'000
Non-current assets		
Property, plant and equipment	**956,217**	829,884
Exploration and evaluation asset	**25,261**	63,701
Inventories – mining stockpiles	**64,756**	64,870
Other receivables	**101**	103
Total non-current assets	**1,046,335**	958,558

Non-current assets have increased by US$88 million or 9% mainly as a result of:

- US$104 million net increase in property, plant and equipment (excluding rehabilitation asset increase). This included waste stripping costs that have been capitalised, further lifts to the TSF 2, camp upgrades, the continued construction of the solar plant and continuous process plant optimisation (total property, plant and equipment cost of US$266 million) (+ve);
- US$22 million restoration and rehabilitation asset increase (notes 1.3.9 and 2.13); offset by
- US$35 million impairment of the Burkina Faso exploration and evaluation asset (notes 1.3.2 and 2.10)

	31 December 2021 US$'000	31 December 2020 US$'000
Current liabilities		
Trade and other payables	**75,759**	64,488
Tax liabilities	**253**	267

Provisions	**4,617**	7,480
Total current liabilities	**80,629**	72,235

Current liabilities have increased by US$8 million or 12% primarily as a result of:

- Increased spend on capital projects in the current year compared to the previous year.

	31 December 2021 US$'000	31 December 2020 US$'000
Non-current liabilities		
Provisions	**42,647**	32,752
Other payables	**10,386**	1,437
Total non-current liabilities	**53,033**	34,189

Non-current liabilities have increased by US$19 million or 55% primarily as a result of:

- US$22 million increase in the rehabilitation provision (included in the net provisions balance). The movement was driven by an increase in the various input unit costs of expected rehabilitation work and changes in other variables such as the discount rate as well as the expansion of the area with mining related activities and infrastructure over the year. One of the big contributors was the construction of and lifts of TSF2. This resulted in a larger area that will require rehabilitation, (notes 1.3.9 note 2.13).
- The US$10 million increase in other payables relates to the EMRA settlement amount, this was recognised as a provision in the previous year and reclassified to accruals in the current year following the signing of the settlement agreement with EMRA.

CONSOLIDATED STATEMENT OF CASH FLOWS

	31 December 2021 US$'000	31 December 2020 US$'000
Cash flows from operating activities		
Cash generated from operating activities	**309,873**	453,315
Income tax received/(paid)	**5**	(10)
Net cash generated from operating activities	**309,878**	453,305

Group cash costs of production were US$866 per ounce produced, up 21% year-on-year, predominantly due to a 8% decrease in gold ounces produced and a 9% increase in mine production costs.

A stronger gold price combined with cost and capital allocation management, offset by increased mining and processing costs in the year, resulted in a 32% year-on-year decrease in the net cash generated by operating activities to US$310 million.

	31 December 2021 US$'000	31 December 2020 US$'000
Cash flows from investing activities		
Disposal of financial assets at fair value through profit or loss	-	7,414
Acquisition of property, plant and equipment	**(224,929)**	(127,099)

Brownfield exploration and evaluation expenditure	**(15,943)**	(11,717)
Finance income	**196**	1,554
Net cash used in investing activities	**(240,676)**	(129,848)

The current year's capital expenditure was within budget and a number of significant projects were completed and others were started in the year. The capital expenditure in the year included the spend on various capital projects, the largest being on waste stripping activities capitalised of US$59 million, the solar plant of US$33 million, further lifts to the new tailings dam of US$9 million, process plant optimization of US$7 million and camp upgrades US$4 million (refer to notes 2.9 and note 2.10).

	31 December 2021 US$'000	**31 December 2020 US$'000**
Cash flows from financing activities		
Own shares acquired	**(1,391)**	(3,298)
Dividend paid – non-controlling interest in SGM	**(75,200)**	(174,275)
Dividend paid – owners of the parent	**(80,517)**	(138,725)
Net cash used in financing activities	**(157,108)**	(316,298)

After distribution of profit share payments to the Company's partner, EMRA[1], the Group generated negative adjusted free cash flow of US$6 million, down 104% year-on-year. Profit share payments of US$75 million and royalties of US$22 million were earned in the year. Under the terms of the Concession Agreement with EMRA, on 1 July 2020, the profit share mechanism changed to 50:50, from 55:45 in favour of Centamin, and will remain at this level for the remainder of the tenure.

(1) All profit share payments are made to Egyptian Mineral Resources Authority ("EMRA"), a department of the Ministry of Petroleum and Mineral Resources

CAPITAL EXPENDITURE

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

	Year ended 31 December 2021 US$'000	**Year ended 31 December 2020 US$'000**
Underground exploration	**13,741**	11,599
Underground mine development	**34,900**	39,197
Other sustaining capital expenditure	**57,513**	52,433
Total sustaining capital expenditure	**106,154**	103,229
Non-sustaining exploration expenditure	**2,202**	118
Other non-sustaining capital expenditure[(1)]	**132,516**	35,049
Total gross capital expenditure	**240,872**	138,396

(1) Non-sustaining capital expenditure included the construction of TSF 2, camp upgrades, the Capital waste stripping contract and the construction of the solar plant. Non-sustaining costs are primarily those costs incurred at 'new operations' and costs related to 'major projects at existing operations' that will materially benefit the operation.

EXPLORATION EXPENDITURE

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

	Year ended 31 December 2021 US$'000	Year ended 31 December 2020 US$'000
Greenfield exploration		
Burkina Faso	**2,380**	2,803
Côte d'Ivoire	**11,499**	14,588
Total greenfield exploration expenditure	**13,879**	17,391
Brownfield exploration		
Sukari Tenement	**15,943**	11,709
Cleopatra(1)	**-**	8
Total brownfield exploration expenditure	**15,943**	11,717
Total exploration expenditure	**29,822**	29,108

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

Exploration and evaluation assets – impairment considerations

In consideration of the requirements of the International Financial Reporting Standards ("IFRS") 6 an impairment trigger assessment has been performed.

On review, an impairment trigger was identified for the Burkina Faso exploration and evaluation asset and as a result, an impairment charge for the full carrying amount of US$35 million was recognised in the statement of comprehensive income in the year, refer to note 1.3.3 for further information.

SUBSEQUENT EVENTS

As referred to in note 5.2, subsequent to the year end, the Board proposed a final dividend for 2021 of 5 US cents per share. Subject to shareholder approval at the annual general meeting on 10 May 2022, the final dividend will be paid on 10 June 2022 to shareholders on record date of 20 May 2022.

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

NON-GAAP FINANCIAL MEASURES

1) EBITDA and adjusted EBITDA

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

- Finance costs
- Finance income
- Depreciation and amortisation

Management considers EBITDA a valuable indicator of the Group's ability to generate liquidity by producing operating cash flow to fund working capital needs and 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 a company's approximate total enterprise value. 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 also calculate EBITDA differently. The following table provides a reconciliation of EBITDA to profit for the year before tax.

Adjusted EBITDA removes the effect of transactions that are not core to the Group's main operations, like adjustments made to normalise earnings, for example profit on financial assets at fair value through profit or loss, impairments of property, plant and equipment, non-current mining stockpiles and exploration and evaluation assets.

Reconciliation of profit before tax to EBITDA and adjusted EBITDA:

	31 December 2021 US$'000	31 December 2020 US$'000
Profit for the year before tax	**153,647**	314,999
Finance income	**(196)**	(1,554)
Interest expense	**486**	558
Depreciation and amortisation	**139,455**	124,512
EBITDA	**293,392**	438,515
Add back/less:(1)		
Profit on financial assets at fair value through profit or loss	**–**	(960)
Impairments of non-current assets	**35,208**	–
Adjusted EBITDA	**328,600**	437,555

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

2) Cash cost of production per ounce produced and sold and all-in sustaining costs ("AISC") per ounce sold calculation

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

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

On 14 November 2018 the World Gold Council published an updated Guidance Note on 'all-in sustaining costs' and 'all-in costs' metrics. Per their press release it was expected that companies have chosen to use the updated guidance from 1 January 2019 or on commencement of their financial year if later. The Group have applied the updated guidance from 1 January 2019 with no impact on our results or comparatives.

Reconciliation of cash cost of production per ounce produced:

		31 December 2021	31 December 2020
Mine production costs (note 2.3)	US$'000	**368,327**	339,012
Less: Refinery and transport	US$'000	**(2,264)**	(2,322)
Movement of inventory(1)	US$'000	**(6,195)**	(11,502)
Cash cost of production – gold produced	**US$'000**	**359,868**	325,188

Gold produced – total (oz.)	oz	**415,370**	452,320
Cash cost of production per ounce produced	**US$/oz**	**866**	719

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

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

Reconciliation of cash cost of production per ounce sold:

		31 December 2021	31 December 2020
Mine production costs (note 2.3)	US$'000	**368,327**	339,012
Royalties	US$'000	**21,672**	24,792
Movement of inventory[1]	US$'000	**(15,081)**	4,181
Cash cost of production – gold sold	**US$'000**	**374,918**	367,985
Gold sold – total (oz.)	oz	**407,252**	468,681
Cash cost of production per ounce sold	**US$/oz**	**921**	785

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

		31 December 2021[1]	31 December 2020[1]
Movement in inventory			
Movement in inventory - cash (above)	US$'000	**(15,081)**	4,181
Effect of depreciation and amortisation – non-cash	US$'000	**35,049**	9,523
Movement in inventory – cash & non-cash (note 2.3)	**US$'000**	**19,968**	13,704

Reconciliation of AISC per ounce sold:

		31 December 2021	31 December 2020
Mine production costs (note 2.3)	US$'000	**368,327**	339,012
Movement in inventory	US$'000	**(15,081)**	4,181
Royalties	US$'000	**21,672**	24,792
Sustaining corporate administration costs	US$'000	**22,379**	15,029
Rehabilitation costs	US$'000	**276**	350
Sustaining underground development and exploration	US$'000	**48,641**	50,796
Other sustaining capital expenditure	US$'000	**57,513**	52,433
By-product credit	US$'000	**(1,361)**	(1,115)
All-in sustaining costs[1]	**US$'000**	**502,366**	485,478
Gold sold – total (oz.)	oz	**407,252**	468,681

AISC per ounce sold	**US$/oz**	**1,234**	1,036

(1) Includes refinery and transport.

	31 December 2021 US$'000	31 December 2020 US$'000
Corporate costs		
Sustaining corporate costs	**22,379**	15,029
Non-sustaining corporate costs[(1)]	**-**	2,550
Corporate costs (sub-total) (note 2.3)	**22,379**	17,579

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

3) Cash and cash equivalents, bullion on hand and gold and silver sales debtor

Cash and cash equivalents, bullion on hand, gold and silver sales debtor and financial assets at fair value through profit or loss is a non-GAAP financial measure and is a measure of the available cash and liquid assets at a point in time. Management uses this measure internally to better assess performance trends for the Company as a whole. Management considers that, in addition to conventional measures prepared in accordance with GAAP, certain investors use such non-GAAP information to evaluate the Company's performance and ability to generate cash flow and the measure is intended to provide additional information. This non-GAAP measure 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 and other companies may calculate this measure differently.

Reconciliation to cash and cash equivalents, bullion on hand, gold and silver sales debtor:

	31 December 2021 US$'000	31 December 2020 US$'000
Cash and cash equivalents (note 2.16(a))	**207,821**	291,281
Bullion on hand (valued at the year-end spot price)	**20,304**	5,747
Gold and silver sales debtor (note 2.7)	**29,147**	12,492
Cash and cash equivalents, bullion on hand, gold and silver sales debtor	**257,272**	309,520

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

4) Free cash flow and adjusted free cash flow

Free cash flow is a non-GAAP financial measure. Free cash flow is a measure of the available cash after distributions to the Non-Controlling Interest ("NCI") in SGM, being EMRA, that the Group has at its disposal to use for capital reinvestment and to distribute to shareholders of the parent. 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 and other companies may calculate this measure differently.

	31 December 2021 US$'000	31 December 2020 US$'000
Net cash generated from operating activities	**309,878**	453,305
Less:		

Net cash used in investing activities	**(240,676)**	(129,848)
Dividend paid – non-controlling interest in SGM	**(75,200)**	(174,275)
Free cash flow	**(5,998)**	149,182
Add back:		
Net disposals of financial assets at fair value through profit or loss(1)	-	(7,414)
Adjusted free cash flow	**(5,998)**	141,768

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

PRINCIPAL RISKS AND UNCERTAINTIES

RISK AND OPPORTUNITY IN A TRANSITIONAL YEAR

Centamin recognises that nothing is without risk. A successful and sustainable business needs a robust and proactive risk management framework as its foundation, which outlines the Company's approach and process for management of risk. The framework should be supported by a strong culture of risk awareness, that encourages openness and integrity, alongside a clearly defined appetite for risk. This enables the Board to consider risks and opportunities to improve our decision-making process, deliver on our objectives and improve our performance as a responsible mining company.

Ultimate accountability for risk management lies with the Board, supported by the Audit and Risk Committee. We continuously monitor and refine our risk management and wider internal controls to meet the changing requirements of the business. The risk management framework and the system of internal controls are designed to operate effectively together and report through to the Audit and Risk Committee on a regular basis.

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

During 2021 there have been updates to the principal risks driven by the revised strategy for the business and external factors such as greater understanding of the potential impact of climate change. A 'new' principal risk, Decarbonisation, has been elevated from the climate change emerging risk disclosed in the 2020 Annual Report. The existing principal and emerging risks have also been refreshed to reflect the broader considerations of the business moving forward to align with the robust foundation for growth & yield which has been set as we invest for the future.

Of particular note through 2021 was the ongoing global impact of the COVID-19 pandemic, the Infectious Disease Management risk reflects this as we continued with our proactive approach to managing the potential impacts and a refresh of the stakeholder expectations risk to focus on the environmental and social considerations. In addition, we recognise the importance of climate change as a growing global risk and in particular due to the nature of our business the need to address decarbonisation as reflected in the 'new' principal risk.

Through 2021 we have established reinforced our culture of continuous improvement which has identified several opportunities such as the transition of the underground to an owner operator model and the Solar Project.

The Directors confirm they have completed a robust assessment of the principal and emerging risks facing the Company, including those which would negatively impact its business model, future performance, operations, solvency or liquidity.

PRINCIPAL RISKS

Due in part to the nature of the business as an operating mining company, the headline principal risks, whilst fundamental to the ongoing operation, have remained fairly constant since the updates for the 2020 Annual Report, with the exception of Decarbonisation. The principal risks are listed below:

Principal Risk	Nature of Risk	Mitigation Measures	Ongoing Strategy	Risk Appetite
EXTERNAL RISKS				
Political	Future political, social or economic changes in the countries in which we operate may impact on the Group. The future investment framework and business conditions in our operating locations could change with governments adopting different laws, regulations and policies that may impact on the ownership, development and operation of our mineral resources projects. Over the last year the Company recognises the changing landscape for our license holdings in CDI and BF, which we are monitoring closely. Outside of our host countries we are monitoring the ongoing conflict in the Ukraine.	Government policies have developed over the past years in host countries to incentivise foreign direct investment and the development of local mining industries. Centamin deploys a proactive approach to government and stakeholder liaison and actively monitors – on an ongoing basis – legal, fiscal, regulatory and political developments in its host countries. The terms of the Sukari Concession Agreement, (including the applicable tax regime and rights of tenure), were issued and ratified under special Law No. 222 of 1994 and can, therefore, only be amended by the passing of a further law.	To maintain a detailed and up to date understanding of the investment framework and climate in which we operate as well as a constructive relationship with our host governments and local partners, such as EMRA. The Company undertakes to abide by the spirit and letter of the Concession Agreement as well as local laws/Regulations in Egypt and furthermore where our exploration activities are taking place in CDI.	Level: Balanced We will not take any unnecessary risk within our control. However, we understand that inherently we have limited control over a number of external risk factors.
Legal and Regulatory Compliance	The Groups structure includes operational and exploration licences in Egypt, CDI and BF, held through companies in Australia, Jersey and the United Kingdom. This means we are subject to various legal and regulatory requirements across all jurisdictions, relating to issues such as cross jurisdictional taxation, related party transactions, anti-bribery and corruption.	Centamin deploys a proactive approach to government and stakeholder liaison and actively monitors – on an ongoing basis – legal, fiscal, regulatory and political developments in its host countries. In Egypt we have the Sukari Concession Agreement which can only be changed by means of another law, so we have the right to export gold, repatriation of funds, existing tax exemption and further considerations. In addition, the Group engages with the relevant regulatory authorities and seeks appropriate advice to ensure compliance with all relevant regulation and	The Company will ensure that it complies with all relevant regulation and legislation including its environmental and operational commitments set out in the relevant permits/authorisations and local laws/regulations.	Level: Balanced We will not take any unnecessary risk within our control. However, we understand that inherently we have limited control over a number of external risk factors.

	Ongoing legal, fiscal and regulatory changes may impact project permitting, tenure, taxation, exchange rates, environmental protection, labour relations, and the ability to repatriate income and capital. These measures may also impact the ability to import key supplies, export gold production and repatriate revenues.	legislation. An example would be the global tax strategy in place which ensures all taxes are paid at an operational level and further tax requirements are met through the holding structure. Appropriate monitoring procedures are in place and we ensure that we manage legal and regulatory compliance.		
Litigation	Centamin's ability to operate and conduct business in host countries, may be adversely affected by current and any future dispute resolution and/or litigation proceedings. The Group is currently party to a single legal action in Egypt. The details of this litigation, which relates to the Concession Agreement, is given in note 5.1 of the financial statements. The challenge to the concession agreement could affect its ability to operate the mine at Sukari in the manner in which it is currently operated and the former could adversely affect its profitability.	In order to mitigate this risk Centamin has (a) taken appropriate legal advice from reputable legal advisers and continues actively to pursue its legal rights with respect to its existing case; and (b) maintains regular contact with its Egyptian legal advisers who actively monitor developments in both court and local media for signs of any legislative or similar developments that relate to its ongoing litigation or which may otherwise threaten its operations, finances or prospects. The potential for serious impact can be further mitigated by: Centamin's strict adherence to local laws and agreements; the Egyptian government's continued support on the constitutionality of Law no. 32 of 2014, which restricts the ability of third parties to challenge contractual agreements between the Egyptian government and investors such as Centamin; the investment protections and dispute resolution provisions set out in the Sukari Concession Agreement and the bilateral investment treaty between Australia (PGM's place of incorporation) and the Arab Republic of Egypt.	To minimise exposure to litigation and reduce the impact of actions by complying with all relevant laws and regulations and to defend and/or bring any actions necessary to protect the Company's assets, rights and reputation.	Level: Balanced We will not take any unnecessary risk within our control. However, we understand that inherently we have limited control over a number of external risk factors.
Infectious Disease Management	In 2020, COVID-19 significantly impacted the world, presenting an unprecedented medical, economic and social challenge and the ongoing effects of this were felt through 2021 and will be beyond. Centamin has been proactive in how it manages and mitigates the impacts within its control. We have experienced no material disruption to operations, supply chain or gold shipments. Furthermore, we recognise the macro-economic uncertainty this has created including volatility in the markets, increasing commodity costs, supply chain disruption and the impacts to our people. The scale and duration remain uncertain but we continue to monitor and are prepared to manage accordingly.	Safely managing the health and wellbeing of our workforce, in line with government and public health advice led to us introducing covid-secure working conditions which have assisted in the mitigation of the risk. Ensuring a local and global proactive approach to our response during the pandemic has been key. Whilst the impact and potential duration remains uncertain, the Company regularly reviews our scenario risk analysis on the Group and believes it is well positioned to continue to manage through these difficult times. As the pandemic progressed we continued to monitor the global situation, adapting our policies, procedures and controls to minimise the impacts within our control and we have maintained this through 2021.	We recognise the potential risks of the global pandemic as a threat bringing potential risks to our people and business. Following the initial assessment of the potential risks, their impacts to our people and business we developed a dynamic action plan at a corporate and site level supported by resources focusing on our response day to day. This has continued to adapt and evolve in response to the changes both realised and projected to ensure we are in the best place to manage and respond as required.	Level: Balanced We will not take any unnecessary risk within our control. However, we understand that inherently we have limited control over a number of external risk factors.
Gold Price	The extent of the Company's financial performance is due in part to the price of gold, over which the Company has no influence. Revenues from gold sales are in US dollars and Centamin has exposure to costs in other currencies including Egyptian pounds, Australian dollars and sterling. Centamin manages its exposure to gold price by keeping operating costs as low as possible and continues to consider other options where these would be viewed as beneficial for our commitment to stakeholder returns.	The Group is 100% exposed to the gold price; however, the cash costs of the Sukari Gold Mine remain within our budget which is conservatively based on the long term gold price as modelled by external advisors. This often means we can take advantage of any changes in the gold price which have been positive over the course of 2021 with a realised average price of US$1797.	The Company does not currently hedge against the price of gold or exposure to currencies. We will continue to allow for financial flexibility when budgeting and forecasting using a measured approach to the potential fluctuations in gold price.	Level: Balanced We will not take any unnecessary risk within our control. However, we understand that inherently we have limited control over a number of external risk factors.
STRATEGIC RISKS				
Single Project Dependency	Sukari currently constitutes Centamin's main mineral resource and sole mineral reserve, near term production and revenue. Whilst the resource base in CDI is growing, we are undertaking brownfield surface exploration within the existing concession and have secured highly prospective ground within Egypt's Nubian Shield, we recognise until further production growth beyond Sukari is identified, the potential impact remains high and safeguarding the project is paramount to the Company. The ongoing COVID-19 pandemic has continued to ensure	The project at Sukari has two distinct ore sources (open pit and underground), the processing plant has two separate flotation circuits and two separate power stations. Whilst one project, the nature of the design of the plant provides adequate mitigation and reduces the relative likelihood of dependence compared to a single layer plant design. The second circuit of the process plant has been fully operational for over seven years, which shows the resilience of the project. In addition, the plant is fed by both the open pit and underground operation, providing higher and lower-grade ore to the processing plant. Operational activity and production is expected to continue at above nameplate capacity. Other mitigating factors, outside the single project at Sukari, include the	At Sukari, the process plant has been designed with sufficient resilience and redundancies within the operating cycle. The exploration projects across the business provide a well-balanced project pipeline, with potential to add incremental shareholder value by increasing production across the Group as highlighted in the Strategy in Action. The recent bid round in Egypt has resulted in the Company being awarded additional exploration areas,	Level: Informed We will have an approach that could deliver reasonable rewards, economic or otherwise, by managing risk in an informed way.

	focus on this risk but through 2021 we have continued our approach to "Co-Existing with COVID-19".	continued focus on longer term growth and expansion through exploration and acquisition targets both inside and outside of Egypt.	which we are currently discussing further with the government.	
Concession Governance and Management	SGM, is 50:50 jointly owned by PGM (the Company's wholly owned subsidiary) and EMRA, with equal board representation from both parties. The board of SGM operates by way of simple majority. Should a dispute arise, or decision-making become deadlocked and cannot otherwise be amicably resolved by way of commercial negotiations or mediation then time-consuming and costly arbitration or other dispute resolution proceedings may need to be initiated.	It is of key importance for Centamin to maintain a solid and transparent working relationship with its 50% partner, EMRA, through a strict adherence to the Sukari Concession Agreement. With the onset of profit sharing in 2019, the proper application of the cost recovery and net profit share payment provisions under the Concession Agreement, has become a key priority. To ensure successful operation of the Sukari Gold Mine maintaining a good working relationship with EMRA, other relevant ministries and wider government is a key focus. The Group has regular meetings with officials from EMRA and invests time in liaising with relevant ministry and other governmental representatives.	A key objective of the Company is to maintain its licence to operate in its host countries. In Egypt, this is achieved through active and ongoing co-operation, regular meetings and correspondence with EMRA, as well as making sure that the terms and conditions of the Concession Agreement and applicable laws are fully complied with. Ongoing monitoring and review of this is key and is an activity which we will continue to give the required focus to.	Level: Balanced We will not take any unnecessary risk within our control. However, we understand that inherently we have limited control over a number of external risk factors.
Licence to Operate	Centamin are committed to building and operating our mines in a safe and responsible manner. To do this, we seek to build trust-based partnerships with host governments and local communities to protect our license to operate and ability to grow. We should only advance our business interests where this protects people, fosters socio-economic development and safeguards the environment, and leaves a positive legacy for our host communities.	Ensure that we are clear on the standards that are expected locally and regionally within our areas of operation. Develop and implement investment plans that sustain broad stakeholder support and compliance with local and regional standards. Maintain an up-to-date compliance register for each asset and routinely review our performance against these commitments and obligations.	Acting in an ethical, responsible and transparent manner is fundamental to realising the significant business benefits gained from building trusted and constructive relationships with all our stakeholders, and to maintaining our socio-political license to operate. Strengthen our sustainability governance and management framework at all levels of the organisation, including reinforcement of our performance standards to support growth, supported by resources allocated to ensure the long-term physical, chemical and biological stability of the site - or social benefits to our host communities.	Level: Balanced We will not take any unnecessary risk within our control. However, we understand that inherently we have limited control over a number of external risk factors.
Future of our Workforce	Our accomplishments and success as a Company are made possible by our ability to attract and retain human capital and through the commitment of our people. We need to support our people to develop a shared understanding of the critical behaviours and skills required for successful performance and provide them the opportunity to progress to a top-level if they possess the ability to do so. Failure to do so will result in elevated rates of turnover and knowledge loss. Valuing diversity and promoting inclusion is an ethical imperative for a sustainable business.	Initiatives which have been introduced include: the employee development pathway, to ensure all positions are undertaken to a proficient level; supervisory and leadership training to equip employees for increased levels of technical and management responsibility; and succession planning. Continue to reinforce awareness of our organizational values and the critical behaviours required for successful performance. Through visible leadership, strengthen diversity and inclusion in workplace culture and practice, and set targets to increase the representation of women.	To deliver on the principles and commitments as stated in our People policy. Visible leadership in the development of our people, diversity and inclusion. Sustained resourcing of the professional development and training initiatives.	Level: Balanced We will not take any unnecessary risk within our control. However, we understand that inherently we have limited control over a number of external risk factors.
Stakeholder Environmental and Social Expectations	Elevated societal expectations on corporate environmental responsibility, including increased levels of stakeholder scrutiny, disclosure, regulatory requirements and industry standards. Recent high-profile incidents have put a spotlight on the need for increased levels of corporate accountability on matters of environmental and social governance, including tailings management, heritage protection, responsible supply chain, diversity and inclusion. The COVID-19 pandemic has also focussed attention on the wellbeing our people, social inequalities and the role which we must play in the wider communities.	Through our Sustainability Performance Framework, we continue to strengthen our governance and management controls and assurance processes to meet stakeholder expectations, existing and new regulatory and industry standards, for example the RGMPs, GSITM and TCFD. Define environmental and social criteria and triggers to support key investment decisions. At asset-level, focused on building the capacity of our HSES specialist teams and the continual improvement of our environmental and social management system. We are improving our LOM management plans, measurement and target setting and third-party verification.	Reinforce the implementation of our Sustainability Performance Framework and its integration into asset-level management systems and practice. Build the awareness and capacity of senior management teams to integrate environmental and social risks and opportunities into investment decision-making	Level: Controlled Controlled considers potential breaches in our policies and controls to meeting our environmental expectations. The Board invests heavily in a programme of continuous improvement in relevant practices and has an expectation to meet the highest standards.
Decarbonisation *New Principal Risk*	The transition to a net zero carbon economy is expected to profoundly affect our business model over the medium and/or long-term due to factors including: the pricing of carbon emissions; availability and costing of commodities and consumables;	A number of carbon abatement initiatives are underway. Construction has commenced on a solar PV project that will reduce our GHG emissions by 60,000 tCO2-e per annum at Sukari; and the installation of the high production trays to our haul fleet indicates a 15 to 20% reduction in fuel consumption per tonne hauled. Other initiatives under investigation include expansion of our existing commitment to renewables, connection to the national grid in Egypt and fuel switching to natural	Understanding the effects of climate-related risk on our business is important as we study in more detail and specificity the updated life of mine plan for Sukari including opportunities for decarbonisation. We will undertake a trade-off analysis for decarbonisation options.	Level: Balanced We will not take any unnecessary risk within our control. However, we understand that inherently we have limited control over a

	changing market and investor sentiment. The most significant opportunity for decarbonisation is the ability to reduce and potentially remove fossil fuel-generated electricity from gold mining's sources of power. This is likely to require increased levels of capital investment in the short-medium term and the uptake of new technology.	gas for both power generation and hybridization of our mobile fleet.	Elaborate a climate change strategy that will set an ambitious science-based target for carbon reduction by 2030 and an accompanying roadmap to achieve this target.	number of external risk factors.
OPERATIONAL RISKS				
Safety, Health and Wellbeing	It is an inherent risk in our industry that incidents due to unsafe acts or conditions, or the failure of our equipment or infrastructure could lead to injuries or fatalities. Remote and rostered work also has potential to impact the mental health and wellbeing of our workers – an aspect that has been heightened by the ongoing COVID-19 pandemic. Our workforce face potential risks from hazards such as fire, explosion and electrocution, as well as risks specific to the mine site and development project. These include potential slope failures or collapse in the underground, heavy or light equipment collisions involving machinery/transport or personnel or environmental incidents such as cyanide contamination. Continuing focus on the risks associated with mining companies' tailings facilities also means we continue to monitor this risk, completing regular internal and external technical reviews.	Protecting the safety, health and wellbeing of employees, contractors, local communities and other stakeholders is a fundamental responsibility for Centamin. We seek continuous improvement of our safety and health management system and practices including assurance processes, with particular focus on the early identification of risks and the prevention of incidents. We continue to reinforce our critical risk and control standards, review and test our crisis management plan, maintain Covid-19 management protocols, continue to enhance employee medical benefits and our new Tailings Storage Facility ("TSF2") starting operation. Reinforce the implementation of our Sustainability Performance Framework and its integration into asset-level management systems and practice. Build the awareness and capacity of senior management teams to operationalise our critical risks standards and seek conformance to ISO 45001.	Ensuring the safety, health and wellbeing of our workforce is directly aligned with our first Value, to Protect, and is amoral imperative. This requires a focus on zero harm whilst constituting a direct investment in the productivity of the business and the physical integrity of our operations. A safe and healthy workforce translates into an engaged, motivated and productive workforce that mitigates operational stoppages, and reduces potential incidents or harm.	Level: Controlled Controlled considers potential breaches in our policies and controls to safety, health and wellbeing. The Board invests heavily in a programme of continuous improvement in relevant practices and has an expectation to meet the highest standards.
Exploration	Exploration activities by their very nature are highly speculative with an inherent degree of risk. Centamin strives to make new discoveries, growth and value-creation opportunities through our exploration programme. Whilst Egypt continues to represent a significant opportunity through brownfield exploration around the concession and highly prospective ground in Egypt's Nubian Shield, we also recognise our potential growth projects in Côte d'Ivoire.	Before undertaking any exploration activities a risk-based approach is undertaken to filter projects considering a number of factors. This approach has been further enhanced in 2021, and beyond, by an overhaul of the exploration and geological leadership team and a restructured approach. This will be supported by independent advice and an investment in technology. 2021 also delivered a positive PEA for Doropo and we commenced the PFS which is due in 2022, we secured highly prospective ground in Egypt and doubled ABC resources. During 2021 we invested a total of US$14M in exploration activities, with an initial US$25m budgeted for exploration expenditure in 2022.	Ensuring we have an effective and efficient exploration programme to meet our strategic targets, long-term production and reserves goals. Further information will be provided through 2022 in updates on the exploration activities.	Level: Opportunistic We will consider opportunities with higher levels of risk in exchange for potentially greater reward, as long as they do not conflict with our core values.
Geological Understanding	Geological uncertainty is an inherent risk which any mining company faces. Understanding of the orebody can be influenced by a number of factors which can impact on the ability to estimate the location of the ore and the potential grade expected by the mining operations. As these estimations are used to inform the approach to our operations and the wider business strategy we need to ensure that we can make this process as accurate as possible.	The overhaul of the geological leadership team through 2021 and a restructured approach has led to a number of changes to the stewardship of the orebody and a new Sukari Orebody Stewardship Model. Upgrades to the resource management processes and the development of more robust resource models have driven a review of the existing data alongside future analysis and the ability to set Geology targets. These changes will contribute to an integrated approach to the mining methods which are applied and inform the mine-to-mill planning.	To achieve an accurate estimation based on geology, that informs improved mine planning and operations to deliver results. This will be supported by the near-term roadmap to +500koz pa and the robust life of mine schedule as presented in December 2021.	Level: Informed We will have an approach that could deliver reasonable rewards, economic or otherwise, by managing risk in an informed way.
Operational Performance and Planning	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, grade downgrades and production outputs. Unplanned operational stoppages can impact our production. An inability to shift the volumes of	2021 has been a transformational year for Centamin with a focus on improving mining flexibility and delivering growth. At the end of 2020 we completed the Life of Asset Phase 1, issued 3 year guidance and commenced accelerated waste-stripping. Through 2021 we commissioned TSF 2, completed the new Sukari Orebody Stewardship Model and launched the Centamin Capability Framework, The plan should provide clarity as to the strategic direction of the mine and the desired production levels for the,short, medium and long-term to give focus to the operational elements of the mine. Alongside the	To achieve reliable and consistent production, whilst optimising the potential of the operation. The Company provides timely and accurate information to the market on production levels and forecasts. The mining sector continues to face operating cost inflation, including labour costs, energy costs and the natural impact of ore-grade deterioration over time. In order to deliver our	Level: Informed We will have an approach that could deliver reasonable rewards, economic or otherwise, by managing risk in an informed way.

	waste required, drops in our operational capacity in mining, contractor management, supply chain disruption or ground stability are examples of potential risks. Accurate and complete planning is pivotal to informing production estimates, grade quality and provide greater clarity to corporate/operational decision-making. We then need to deliver against our targets by analysis of our data to inform the right decisions. Further through 2021 we have managed the impact of COVID-19 and continue to monitor these. At the time of publishing there were no additional concerns.	overhauled geological leadership team and restructured approach to geology and orebody stewardship we have developed a comprehensive mining engineering model, enhanced our geotechnical engineering programme, increased our mining flexibility and have identified multiple initiatives to improve operating efficiency and productivity. An example being a dedicated contract-mining solution on the East of the open pit and the owner-operator fleet utilised for ore and waste mining on the North and West.	disciplined growth strategy and to maintain and improve our competitive position, the Group must deliver its financial improvement targets and minimise the number of unplanned operational stoppages.	

EMERGING RISKS

The Audit & Risk Committee and Board regularly review the principal risks as well as the wider operational, corporate and general business risks including a discussion on emerging risks.

Emerging risks are defined as circumstances or trends that could significantly impact the Company's financial strength, competitive position, or reputation within the next three years or over a longer term. Emerging risks may prove difficult to quantify as they are often influenced by external factors and difficult to predict. Emerging risks are considered as part of the Company's strategic discussions through all levels of the Group and one of these risks from the 2020 Annual Report has now been elevated to a principal risk highlighting the importance of this process.

We have outlined a non-exhaustive list of emerging risks assessed during the year, these are risks which are inherent to the nature of our business and where we operate. We monitor these as part of the risk management framework.

Financial	Ensuring that we effectively manage our exposure to risks such as jurisdictional taxation exposure, currency fluctuations, interest rate and liquidity is an ongoing process. The Company has developed the necessary procedures and programmes, including in response to inflationary pressures, to minimise the potential impact of these risks as outlined in the Financial Review and going concern in Note 1.3.7 of the financial statements.
Cyber security	The Company recognises the importance of risks associated with cyber security and data governance but has assessed they do not represent a principal risk given the current position of the Company's operations. Increasing investment in this area is, however, a priority for the Company to ensure we can maintain our resilience alongside planned enhancements to our technology started in 2021 through a Digital Transformation programme.
Corporate development	The Company continue to acknowledge the risks and opportunities associated with our ability to realise value by successfully executing merger, acquisitions and divestments. Management must be ready to evaluate approaches and opportunities to ensure value for shareholders is maintained and enhanced.
Security – CDI	Increased militant activity and political instability in Northern CDI and BF continues to raise potential concerns for our personnel safety in-country. We continue to closely monitor the situation through our own security, local government, national security and external advisors. These resources have received investment in 2021 to ensure we have the required support to mitigate the risk as we increase operations in CDI.
Capital allocation and project execution	Ensuring balanced capital is allocated effectively and projects are well executed is a risk and opportunity which the Company recognises as highlighted in the Financial Review. Examples of key capital projects delivered in 2021 include upgrades to the new tailings storage facility, infrastructure improvements to the camp and progressing the solar plant and paste fill plant at Sukari, further detail is shown in the Financial Review under Capital Projects .

DIRECTORS' RESPONSIBILITIES

For the year ended 31 December 2021

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.

Companies (Jersey) Law 1991, as amended (the "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 IFRS 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 IFRS as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements
- make judgments 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 Company Law.

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, are fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

The Directors have undertaken a robust assessment of the principal risks impacting the Company. The assessment identified strategic and operational risks at a corporate level and principal risks impacting our operations in Egypt and West Africa. Details of the risk assessment can be found in the Audit and Risk Committee Report and the risk management and principal risks section of the Strategic Report.

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 PricewaterhouseCoopers LLP, independent auditor, who was given unrestricted access to all financial records and related information, including minutes of all shareholder, Board and committee meetings.

The financial statements were authorised by the Board of Directors for issue and signed on their behalf by Martin Horgan (CEO) and Ross Jerrard (CFO) on 16 March 2022.

Each of the Directors, whose names and functions are listed in the Governance Report, confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Group
- the Strategic and Governance 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 Governance Report is approved
- so far as the Director is aware, there is no relevant audit information of which the Group's auditor is unaware
- 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 auditor is aware of that information.

On behalf of the Board:

Martin Horgan	**Ross Jerrard**
Chief Executive Officer Director	**Chief Financial Officer** Director
16 March 2022	16 March 2022

AUDITED FULL YEAR CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2021

	Note	31 December 2021 US$'000	31 December 2020 US$'000
Revenue	2.2	**733,306**	828,737
Cost of sales	2.3	**(487,376)**	(449,441)
Gross profit		**245,930**	379,296
Exploration and evaluation expenditure	2.1	**(13,879)**	(17,391)
Other operating costs	2.3	**(49,100)**	(56,392)
Other income	2.3	**5,708**	6,972
Profit on financial assets at fair value through profit or loss	2.6	**-**	960
Finance income	2.3	**196**	1,554
Impairment of exploration and evaluation asset	2.10	**(35,208)**	-
Profit for the year before tax		**153,647**	314,999
Tax	2.5	**20**	(50)
Profit for the year after tax		**153,667**	314,949
Profit for the year after tax attributable to:			
– the owners of the parent		**101,527**	155,979
– non-controlling interest in SGM	2.4	**52,140**	158,970
Total comprehensive income for the year		**153,667**	314,949
Total comprehensive income for the year attributable to:			
– the owners of the parent		**101,527**	155,979
– non-controlling interest in SGM	2.4	**52,140**	158,970
Earnings per share attributable to owners of the parent:			
Basic (US cents per share)	6.4	**8.811**	13.531
Diluted (US cents per share)	6.4	**8.738**	13.453

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 2021

	Note	31 December 2021 US$'000	31 December 2020 US$'000
Non-current assets			
Property, plant, and equipment	2.9	**956,217**	829,884
Exploration and evaluation asset	2.10	**25,261**	63,701
Inventories – mining stockpiles	2.11	**64,756**	64,870
Other receivables	2.7	**101**	103
Total non-current assets		**1,046,335**	958,558
Current assets			
Inventories – mining stockpiles and consumables	2.11	**128,721**	118,705
Trade and other receivables	2.7	**32,579**	18,424
Prepayments	2.8	**7,964**	8,908
Cash and cash equivalents	2.16(a)	**207,821**	291,281
Total current assets		**377,085**	437,318
Total assets		**1,423,420**	1,395,876
Non-current liabilities			
Provisions	2.13	**42,647**	32,752
Other payables	2.12	**10,386**	1,437
Total non-current liabilities		**53,033**	34,189
Current liabilities			
Trade and other payables	2.12	**75,759**	64,488
Tax liabilities	2.5	**253**	267
Provisions	2.13	**4,617**	7,480
Total current liabilities		**80,629**	72,235
Total liabilities		**133,662**	106,424
Net assets		**1,289,758**	1,289,452
Equity			
Issued capital	2.14	**669,531**	668,807
Share option reserve	2.15	**4,975**	3,343
Accumulated profits		**655,508**	634,498
Total equity attributable to:			
– owners of the parent		**1,330,014**	1,306,648
– non-controlling interest in SGM	2.4	**(40,256)**	(17,196)

Total equity	**1,289,758**	1,289,452

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

The audited consolidated financial statements were authorised by the Board of Directors for issue on 16 March 2022 and signed on its behalf by:

Martin Horgan
Chief Executive Officer
Director
16 March 2022

Ross Jerrard
Chief Financial Officer, Director
Director
16 March 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2021

	Note	Issued capital US$'000	Share option reserve US$'000	Accumulated profits US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
Balance as at 1 January 2021		668,807	3,343	634,498	1,306,648	(17,196)	1,289,452
Profit for the year after tax		-	-	101,527	101,527	52,140	153,667
Total comprehensive income for the year		-	-	101,527	101,527	52,140	153,667
Own shares acquired		(1,391)	-	-	(1,391)	-	(1,391)
Net recognition of share-based payments		-	3,747	-	3,747	-	3,747
Transfer of share-based payments		2,115	(2,115)	-	-	-	-
Dividend paid – non-controlling interest in SGM	2.4	-	-	-	-	(75,200)	(75,200)
Dividend paid – owners of the parent		-	-	(80,517)	(80,517)	-	(80,517)
Balance as at 31 December 2021		669,531	4,975	655,508	1,330,014	(40,256)	1,289,758

	Note	Issued capital US$'000	Share option reserve US$'000	Accumulated profits US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
Balance as at 1 January 2020		672,105	4,179	617,244	1,293,528	(1,891)	1,291,637
Profit for the year after tax		–	–	155,979	155,979	158,970	314,949
Total comprehensive income for the year		–	–	155,979	155,979	158,970	314,949
Own shares acquired		(3,298)	–	–	(3,298)	–	(3,298)
Net reversal of share-based payments		–	(836)	–	(836)	–	(836)
Dividend paid – non-controlling interest in SGM	2.4	–	–	–	–	(174,275)	(174,275)
Dividend paid – owners of the parent		–	–	(138,725)	(138,725)	–	(138,725)
Balance as at 31 December 2020		668,807	3,343	634,498	1,306,648	(17,196)	1,289,452

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 2021

	Note	31 December 2021 US$'000	31 December 2020 US$'000
Cash flows from operating activities			
Cash generated from operating activities	2.16(b)	**309,873**	453,315
Income tax received/(paid)		**5**	(10)
Net cash generated from operating activities		**309,878**	453,305
Cash flows from investing activities			
Disposal of financial assets at fair value through profit or loss		**-**	7,414
Acquisition of property, plant, and equipment		**(224,929)**	(127,099)
Brownfield exploration and evaluation expenditure		**(15,943)**	(11,717)
Finance income	2.3	**196**	1,554
Net cash used in investing activities		**(240,676)**	(129,848)
Cash flows from financing activities			
Own shares acquired		**(1,391)**	(3,298)
Dividend paid – non-controlling interest in SGM	2.4	**(75,200)**	(174,275)
Dividend paid – owners of the parent		**(80,517)**	(138,725)
Net cash used in financing activities		**(157,108)**	(316,298)
Net (decrease)/increase in cash and cash equivalents		**(87,906)**	7,159
Cash and cash equivalents at the beginning of the year		**291,281**	278,229
Effect of foreign exchange rate changes		**4,446**	5,893
Cash and cash equivalents at the end of the year	2.16(a)	**207,821**	291,281

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 2021

Basis of preparation

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

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted for use by the European Union ("EU") and interpretations issued from time to time by the IFRS Interpretations Committee ("IFRS IC") both as adopted by the EU and which are mandatory for EU reporting as at 31 December 2021 and the Companies (Jersey) Law 1991. The Group has not early adopted any other amendments, standards or interpretations that have been issued but are not yet mandatory.

The consolidated financial statements have been prepared on a going concern basis and under the historical cost convention, as modified by financial assets and financial liabilities (including derivative) instruments which are measured at fair value.

The consolidated financial statements for the year ended 31 December 2021 were authorised by the Board of Directors of the Company for issue on 16 March 2022.

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.

1. Current reporting period amendments

1.1 Changes in critical judgements and estimates

There were no material updates and/or changes to critical accounting judgements and estimates that management have made in the year in applying the Group's accounting policies that have a significant effect on the amounts recognised and the related disclosures in the financial statements.

1.2 Changes in policies and estimates

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

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

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

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

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

The critical accounting judgements are as follows:

1.3.1 Judgement: Control

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 and controlled entity from the date on which the Company obtains control and until such time as the Company ceases to control such entities. 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.

1.3.1.1 Judgement: Accounting treatment of the Sukari Gold Mining Company ("SGM")

Pharaoh Gold Mines NL (the holder of an Egyptian branch) ("PGM") and EMRA are 50:50 partners in SGM. However, SGM is fully consolidated within the Group as if it were a subsidiary due to it being a controlled entity, reflecting the substance and economic reality of the Concession Agreement ("CA") (see note 4.1 and note 4.2 to the financial statements).

IFRS 10 'Consolidated financial statements' defines control as encompassing three distinct principles, which, if present, identify the existence of control by an investor over an investee, hence forming a parent-subsidiary relationship. The principles are:

1. power over the investee;
2. exposure, or rights, to variable returns from its involvement with the investee; and
3. 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 Company's control of SGM, through PGM

PGM is a 100% owned subsidiary of the Company. The Company, through PGM, has the right to appoint or remove the managing director of SGM under the terms of the CA and in doing so controls the activities in relation to the operation of SGM that most significantly affect the returns of SGM. These are all illustrated in the sections that follow:

a) The duties of PGM

- PGM controls the appointment of the General Manager ("GM") at the Sukari Gold Mine;
  - By controlling the appointment of the GM and directing their activities, the GM will make all day-to-day decisions to allow the mine to operate in a manner that aligns with the Company's objectives which involve:
    - preparing SGM's work programmes through determination of the daily and longer-term mine plans, the budgets covering the operations to be carried out throughout the life of the mine ("LOM") and approval of the same;
    - managing capital expenditure, procurement, cost control and treasury;
    - conducting exploration, development, production, and marketing operations;
    - co-ordinating SGM operations and activities, including its dealings with all contractors and subcontractors;
    - bearing ultimate responsibility for all costs and expenses required in carrying out any and all operations under the CA;
    - funding the operations of SGM and recovering costs and expenses throughout the LOM (i.e., exploration, development, and production phases);
    - funding additional exploration and expansion programmes within the mine during the production phase;
    - taking custody of SGM's stock and management of its funds;
    - selling and shipping of all gold and associated metals produced; and
    - entering into and managing gold sales or hedging contracts and forward sale agreements.

b) The duties of EMRA

- EMRA must, under the terms of the CA, provide the required approvals to allow the mine to operate.

c) The duties, role, and function of the board of SGM:

- The board of SGM has six board members:
  - three of which are appointed by the Company, through PGM; and
  - three of which are appointed by EMRA:
    - the executive chairman, as one of the three EMRA appointed board members, is a representative of EMRA and is appointed by the Egyptian Ministry of Finance.
- The board of SGM convenes twice a year to:
  - facilitate a forum for sharing information between the owners of SGM;
  - provide a mechanism to scrutinise the timing and amounts of expenses; rather than as a decision-making body over SGM's most significant relevant activities;
  - consider, review, and approve all the following in relation to SGM:
    - the budget;
    - the annual financial statements;

        - the cost recovery position; and
        - other compliance matters.
    - The board of SGM is not allowed to unreasonably withhold approval of any of the above.
- If there is a disputed matter or deadlock position at an SGM board level, it is resolved as follows:
    - through open discussion at board level;
    - the executive chairman does not have a veto or casting vote;
    - where matters cannot be agreed upon, an ad-hoc committee is appointed with each party having equal representation. This committee will then recommend an appropriate course of action to the board with the best interest of all shareholders in mind; and
    - should the board still not agree on a course of action, there is a provision for arbitration and ultimately matters can be presented to the International Court of Arbitration at The Hague;
- the board of SGM cannot appoint or remove the GM, this right belongs solely to the Company, through PGM, under the terms of the CA;

EMRA and/or the Egyptian government have no downside risk in their share of SGM. If SGM were to become loss making or insolvent, these costs are absorbed in its entirety by the Company, through PGM, in accordance with the CA.

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

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

1.3.1.2 Judgement: Treatment and disclosure of EMRA profit share

EMRA holds 50% of the shares in the Group controlled entity, SGM, which are not attributable to the Company, and it is entitled to receive net proceeds from the operations of SGM on a residual basis in accordance with their specified shareholding per the CA (this distribution is in accordance with the profit share mechanism and not as a consequence of accumulated profits as defined by accounting standards). Therefore, the Group recognises a Non-Controlling Interest("NCI") in SGM to represent EMRA's participation.

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

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

Distributions to shareholders in SGM:

- once all expenditure requirements, including current cost recovery payments due, have been met, excess cash reserves, if any, are distributed to both SGM shareholders:
    - distributions are always made simultaneously to both shareholders;
    - the split of the distribution is in accordance with the ratchet mechanism (i.e. the standard profit share ratios of 60/40 (first two years from 1 July 2016), 55/45 (second two years from 1 July 2018) and 50/50 (from 1 July 2020) to PGM and EMRA respectively through time) as governed by the CA; but:
        - distributions are not mandatory, entirely discretionary and there are only distributions if there are excess funds;
        - distributions are paid in advance on a weekly or fortnightly basis by mutual agreement between shareholders;
- at the end of the SGM reporting period, final profits are determined, externally audited, and then approved by the board of SGM:
    - final profit distributions become payable within 60 days of the financial year end, SGM is unable to avoid payment at this point and the amount payable is recorded as equity attributable to the NCI until paid;
- the CA is merely a shareholder agreement specifying how and when profits from SGM will be distributed to shareholders and is typical of a minority shareholder protection mechanism.

The Group should attribute the profit or loss for the year after tax and each component of other comprehensive income for the year to the owners of the parent and to the NCI in SGM. The entity shall also attribute total comprehensive income for the year to the owners of the parent and to NCI even if this results in the NCI having a deficit balance (IFRS 10 App B para B94). The CA only contemplates the distribution of profit to shareholders.

The NCI would only have a deficit balance where advance distributions paid during the year have exceeded final distributions payable after year-end financial statements have been prepared and audited. This deficit would be entirely funded by the Company, through PGM, and would first be redeemed from future excess cash before regular distributions to both parties resume. SGM has no claw back provision for advance profits paid to the NCI. We note that annual dividend payments, after approval of audited financial statements, is a standard feature of transactions with an NCI and that such payments are not normally treated as non-discretionary payments triggering a liability in the consolidated statement of financial position of the parent.

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

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

1.3.2 Judgement: Impairment trigger assessment - Burkina Faso exploration and evaluation assets

IFRS requires management to test for impairment if events or changes in circumstances indicate that the carrying amount of a finite life asset may not be recoverable. Considering the requirements of IFRS 6 an impairment trigger assessment has been performed.

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

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

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

This policy requires management to make certain judgements and assumptions as to future events and circumstances, in particular whether the Group will proceed with development based on the existence of reserves or whether an economically viable extraction operation can be established.

Such judgements and assumptions may change from period to period as new information becomes available. If, subsequent to the brownfield E&E expenditure being capitalised, a judgement is made that recovery of the expenditure is unlikely or the project is to be abandoned, this would constitute an impairment trigger which requires an impairment assessment to be performed. The result of that impairment assessment could be that the relevant capitalised amount will be written off to the income statement.

On review, an impairment trigger was identified on the recoverability of the E&E asset related to Burkina Faso valued at US$35 million, the sequence of events and subsequent impairment trigger occurred as follows during the financial year:

- At 30 June 2021, the asset was accounted for as an asset classified as held for sale on the statement of financial position. This was due to an announcement made by the company on 27 May 2021 to the market regarding the active sale process for the Burkina Faso exploration licence. At 30 June 2021, following an impairment assessment review of the asset held for sale; no impairment was required based on an active third-party preliminary offer.

- In December 2021 the company received a letter from the Burkinabe government, stating that as no development of a mine had commenced the licence had reached the end of its renewable period. The company disputes the date from which this is applicable, believing it to be from March 2022 and has formally written a letter to the Burkinabe government expressing its views.

- On 23 January 2022 a military coup occurred in Burkina Faso and currently no formal government exists. As a result, discussions with government officials with regards to the licence are not possible.

1.3.3 Estimate: Impairment assessment of Burkina Faso exploration and evaluation assets

Management have carefully considered all the possible scenarios and outcomes with respect to this matter and concluded that it is highly unlikely that the licence will be renewed and management no longer expects that it will be able to sell the asset within 12 months of the balance sheet date. Accordingly, the asset is no longer classified as an asset held for sale and it has been transferred back to E&E assets on the consolidated statement of financial position. Based on the fact pattern outlined, management has determined that there is an impairment trigger under IFRS 6, and subsequently has assessed that the asset has been fully impaired as at 31 December 2021. The value of the asset has been written off in full to the statement of comprehensive income.

1.3.4 Judgement: Impairment trigger assessment - Sukari

IFRS requires management to test for impairment if events or changes in circumstances indicate that the carrying amount of a finite life asset may not be recoverable. Considering the requirements of IAS36 an impairment trigger assessment has been performed.

Group operating assets

As part of the impairment trigger assessment, management have also considered movements in the key assumptions which have historically been used in impairment assessments and are satisfied that there have not been any changes that would constitute an impairment trigger.

These include changes to:

- forecast gold prices;
- discount rates;
- production volumes;
- reserves and resources report;
- costs, taking into consideration the impact of the solar plant on those costs and emissions targets; and
- recovery rates.

On review, no impairment triggers were identified.

Consideration of climate change risks

In making the impairment trigger assessment for both the group operating assets and the remaining exploration and evaluation assets, the Group also considered elements of climate change risks that may have an impact on the carrying value of assets, through its effects on future cash flow projections applied for the determination of the recoverable amount. We have considered the relevant legislation currently in place and actions to manage environmental change which may affect the existing usage of the Group's assets. The Group has also considered the opportunities from the sustainable capital investments it is making e.g., the investment in the solar plant at Sukari aimed at switching part of the energy requirements of the operations to renewable clean energy, displacing fossil fuel consumption with lower carbon alternatives, and improving the way in which the mine operates.

The Group is committed to continuously improve its operations to operate in an environmentally sustainable way, in line with industry standards and continue to monitor the future uncertainty around climate change risks.

Due to economic developments, inherent uncertainties over the pace of transition to low mission technologies particularly in the extractive industry in the territories the Group operates, political and environmental actions that will be taken to meet the carbon reduction goals, regulatory changes and emissions activity arising from climate-related matters, the Directors have made judgements and assumptions using the available internal and external information to assess the impact of climate change on the future cash flows and operations of the business. These include considering the impact of increases in temperatures and rising sea levels at our operating site, the impact of increased operating costs because of carbon pricing and the impact on gold prices of the aforementioned carbon pricing. Based on the considerations made in the review, there are currently no significant climate change risk factors that are expected to have a material impact on the net cash flows of the Group and therefore the recoverable amounts of the Group's assets.

In preparing the financial statements we have considered the potential impact of climate-related physical and transition risks, in the context of the disclosures included in the Strategic Report. Based on this assessment, climate-related risk is not assessed to have a material financial impact on the viability of the business at the current time.

We have assessed the physical risks to our operations under future emissions scenarios based on General Circulation Models and scenarios aligned with the latest phase of the Climate Model Intercomparison Project ("CMIP6"). Our business was assessed to be resilient to physical risks for the near-term predictions indicating that adaptation specifically to mitigate the effects of climate are not required for the operational life of Sukari. We have not impaired any assets this year as a result of this physical risk assessment.

We have conducted a preliminary qualitative assessment of climate-related transition risks on our forecast revenue and growth. In the short-term, we do not believe these risks present a material financial impact to the viability of the business, while noting the potential materiality of the following factors over the medium and long-term: Pricing of carbon emissions; Availability and costing of commodities and consumables; Changing market and investor sentiment. In 2022 we will conduct a more detailed assessment of the medium and long-term risks and opportunities through application of climate-related scenarios aligned to the Intergovernmental Panel on Climate Change ("IPCC"). In 2022 we will also develop a pathway to decarbonise Sukari for the life of asset, including associated capital investment.

1.3.5 Judgement: Litigation

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

The Group is currently a party to a significant legal action in Egypt, which could adversely affect its profitability and, may affect its ability to operate the mine at Sukari in the manner in which it is currently operated. The details of this litigation, which relate to the Concession Agreement under which Sukari operates, is given in note 5.1 to the financial statements. 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.

With respect to the Administrative Court ruling in the Concession Agreement case (discussed in note 5.1 below), 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 2016, the Company's appeal was indefinitely stayed by the Supreme Administrative Court, pending judgement in a case currently before the Supreme Constitutional Court, the outcome of which may affect the Concession Agreement case. Further details are provided in note 5.1 below.

In the unlikely event that the Group is unsuccessful in either or both of its legal actions, and that the operating activities are restricted to a reduced area, it is management's belief that the Group will be able to continue as going concern. The Group is in regular contact with its Egyptian lawyers, who are monitoring developments in the litigation cases on a day-to-day basis and is therefore able to react swiftly if action is required.

The changes to critical accounting estimates and assumptions are disclosed in notes 1.2 and 1.3 above. The other critical estimates and assumptions are as follows:

1.3.6 Estimate: Mineral Reserve and Resource statement impact on ore reserves

The Group Mineral Reserve and Resource statement for SGM with an effective date of 30 June 2021 is contained in the supplementary section of the annual report. The information on the Mineral Resources and Reserves statement was prepared by Qualified Persons as defined by the National Instrument 43-101 of the Canadian Securities Administrators.

There are numerous uncertainties inherent in estimating Mineral Resources and Mineral Reserves. Assumptions that are valid at the time of estimation may change significantly when new information becomes available. Estimates of recoverable quantities of reserves include assumptions on commodity prices, exchange rates, discount rates and production costs for future cash flows. It also involves assessment and judgement of complex geological models. The economic, geological, and technical factors used to estimate ore reserves may change from period to period. Changes in ore reserves affect the carrying values of mine properties, deferred stripping asset, 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 in the valuation of inventory because of the unit of production amortisation method.

Production forecasts from the underground mine at Sukari are partly based on estimates regarding future resource and reserve growth. It should be specifically noted that the potential quantity and grade from the Sukari underground mine is conceptual in nature and that it is uncertain if exploration will result in further targets being delineated as a mineral resource. Please refer to the Mineral Reserve and Resource statement impact on ore reserves sensitivity, note 3.1.1(h).

1.3.7 Estimate: Going concern

Under guidelines set out by the FRC, the directors of UK listed companies are required to consider whether the going concern basis is the appropriate basis of preparation of consolidated financial statements, under the historical cost convention, as modified by financial assets and financial liabilities (including derivative) instruments which are measured at fair value.

COVID-19

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

The economic impact of the COVID-19 pandemic has and will continue to have its effect, but currently there are no material financial implications to our operations, Sukari continues to operate with confirmed cases on site, gold sales are still commencing on a weekly basis. Weekly cash flow forecasts continue to be performed and distributions to EMRA and PGM are continuing, however these can be halted should cash be required locally. To date there has been no significant impact to critical stock on site and additional stock has been purchased where required, this is continuously being assessed and further backup plans are in place.

To secure the health and safety of our employees and the production capabilities of Sukari, the Group established a COVID-19 Executive Committee and support team which meets and provides daily updates on COVID-19 globally to site, production, supply chain and HSE activities. The Group is continuously evaluating further potential actions to mitigate risk due to the COVID-19 crisis. As a result, and even though globally everyone is confronted with a high level of uncertainty, it is not expected that COVID-19 will have a material negative impact on the ability of the Group to operate as going concern.

Management have performed detailed analyses and forecasts to assess the economic impact of various downside scenarios from a going concern and viability perspective. The Group continues to benefit from a strong balance sheet with large cash balances and no debt. At 31 December 2021 the Group had cash and cash equivalents of US$208 million. As part of assessing the Group's ability to continue as a going concern, management performed various downside stress testing scenarios to assess the impact on liquidity headroom. The scenarios were considered without applying any mitigating actions over a period of 12 months.

Key assumptions underpinning this forecast include:

- available cash balances;
- favourable litigation outcomes, for current litigation refer to note 5.1 to the financial statements;
- gold price of US$1,795/oz. for 2022, US$1,763/oz. for 2023, US$1,724/oz. for 2024, US$1,650/oz. for 2025 onwards; and
- production volumes in line with 2022 guidance.

The scenarios and impact on liquidity is as follows:

- Base case: No change to parameters, expected closing cash balance of US$103 million
- Average gold price reduction to US$1,575 per ounce, resulted in a closing cash balance of US$23 million.
- Processing plant recovery rate reduction by 3%, resulted in a closing cash balance of US$81 million.
- Operating expenses increased by 10%, resulted in a closing cash balance of US$76 million.
- Underground ore tonnage decreased by 10%, resulted in a closing cash balance of US$90 million.
- Underground ore grade reduction of 2.0 g/t resulted in a closing cash balance of US$39 million.
- Processing plant head grade reduction of 10%, resulted in a closing cash balance of US$29 million and
- A combination of the above scenarios
    - Average gold price reduction to US$1,650 per ounce.
    - Processing plant recovery rate reduction by 1%.
    - Operating expenses increased by 5%.
    - Underground ore tonnage decreased by 5%.
    - Underground ore grade reduction of 0.5 g/t; and
    - Processing plant head grade reduction of 5%.

  Resulted in a closing cash balance of US$26 million.

The sensitivities applied were informed by internal and external data sources, including a review of the Group's most recent production levels with reductions or increases of various levels to various stages of slowdown, or metal content. Consultations were also made with our critical suppliers and refiners. The Group doesn't engage in any hedging activities and as such all gold sales are exposed to movements in market prices. In each scenario, sufficient liquidity was maintained.

Based on a detailed cash flow forecast prepared by management, and the various downside scenarios, the Directors have a reasonable expectation that the Group will have adequate resources to continue in operational existence for twelve months from 16 March 2022 and that at this point in time there are no material uncertainties regarding going concern.

These financial statements for the year ended 31 December 2021 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 these financial statements.

1.3.8 Estimate: Long-term gold price used in the non-current stockpiles net realisable value (NRV) assessment

All inventories are stated at the lower of cost and net realisable value. Management and Directors believe that the estimates used regarding long-term gold prices in the non-current stockpiles NRV assessment are critical estimates and are realistic based on current information. Please refer to inventories, note 2.11.

1.3.9 Estimate: Restoration and rehabilitation provision unit rates

Estimates include the unit costs used in calculating the nominal provision including ripping and grading, hauling and application, regrading slopes, construction of bunds and demolition of buildings as well as certain fixed costs, including labour and dismantling of equipment.

For rehabilitation activities measured in tonnes, the unit costs range between $0.36/t to US$0.90/t and those measured in cubic metres and for surface areas measured in metres, the unit cost used are as follows:

• Load and Haul waste rock by mass (average haul distance of 2km)	\$0.36/t
• Load and Haul waste rock by mass (average haul distance of 6km)	\$0.90/t
• Load and Haul waste rock by volume (average haul distance of 2km)	\$0.77/m^3
• Spread waste rock to create cover	\$1.25/m^3
• Load and haul demolition waste for onsite landfill	\$2.30/m^3
• Demolish concrete foundations (medium reinforced)	\$53.00/m^3
• Regrade slopes and batters	\$0.40/m^2
• Rip and grade compacted surfaces	\$0.95/m^2
• Demolish buildings (mix of prefabricated, steel and blockwork)	\$8.00/m^2

The range of the unit costs as outlined above is primarily driven by the level of the work required for each work area requiring restoration and rehabilitation activity, the extent of the mine areas and/or infrastructure or equipment requiring such work as well as the expected mix of the resources to execute the activities i.e., either internally sourced, contracted third party, other specialist resource or a combination of the three.

The provision for restoration and rehabilitation has been discounted by 1.38% (2020: 1.35%) using a US$ applicable rate and inflation applied at 2.5% (2020: 1.23%).

Sensitivities to changes in costs and discount rates were as follows:

- A 10% change in these unit and fixed costs would have a US\$3 million increase on the provision and corresponding asset amounts.
- a 0.5% decrease in the discount rate would have a US\$3 million increase on the provision and corresponding asset amounts.

Both had a highly insignificant effect on the consolidated statement of comprehensive income. Please refer to note 2.13 for the result of the restoration and rehabilitation provision reassessment for the current year.

The US\$21.9 million increase in the provision for the 2021 financial year was primarily due to a US\$18 million increase in the cost base, before discounting, mainly due to the following significant changes:

- TSF1 – A US\$9 million increase in the cost of loading and hauling waste rock to create a 2-meter cover over the tailings surface.
- TSF2 – the TSF is significantly bigger in 2021 compared to 2020 as construction work continues towards completion in accordance with engineered plans including a US\$5 million increase in the cost of loading and hauling waste rock to create a 2-meter cover over the tailings surface.
- North and west dump leach area – A US\$2.6 million increase in the cost including the cost of supplying and installing an impermeable liner over the dump leach areas at a cost of US\$1.5 million.
- US\$1.6 million increase in the cost of engineering work related to the planning and design for closure of the mine.

In the financial statements for the year ended 31 December 2020 it stated that in 2021, in line with the Life of Asset Review, Centamin will commence a full review of the restoration and rehabilitation plan for Sukari which could result in a change in the provision recognised to date. The life of asset review was completed in Q4 of 2021 and announced to the market on 8 December 2021. After completion of the life of asset review, work has commenced on the full review of the restoration and rehabilitation plan for Sukari which will determine the company's obligation. It is estimated that this work will be completed before 31 December 2022 and will involve an external third party to verify the assumptions and methodology used.

2. How numbers are calculated

2.1 Segment reporting

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

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

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

Non-current assets other than financial instruments by country:

	31 December 2021 US$'000	31 December 2020 US$'000
Egypt	**1,044,543**	921,427
Burkina Faso	**526**	35,766
Côte d'Ivoire	**596**	467
Corporate	**670**	898
Total non-current assets	**1,046,335**	958,558

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

Statement of financial position by operating segment:

31 December 2021	Total US$'000	Egypt Mining US$'000	Egypt Exploration US$'000	Burkina Faso US$'000	Côte d'Ivoire US$'000	Corporate US$'000
Statement of financial position						
Total assets	**1,423,420**	1,228,758	935	1,724	1,650	190,353
Total liabilities	**(133,662)**	(129,762)	-	(368)	(829)	(2,703)
Net assets/total equity	**1,289,758**	1,098,996	935	1,356	821	187,650

31 December 2020	Total US$'000	Egypt Mining US$'000	Egypt Exploration US$'000	Burkina Faso US$'000	Côte d'Ivoire US$'000	Corporate US$'000
Statement of financial position						
Total assets	**1,395,876**	1,077,949	-	37,001	1,087	279,839
Total liabilities	**(106,424)**	(101,096)	-	(635)	(390)	(4,303)
Net assets/total equity	**1,289,452**	976,853	-	36,366	697	275,536

Statement of comprehensive income by operating segment:

For the year ended 31 December 2021	Total US$'000	Egypt Mining US$'000	Burkina Faso US$'000	Côte d'Ivoire US$'000	Corporate US$'000
Statement of comprehensive income					
Revenue	**733,306**	733,306	-	-	-
Cost of sales	**(487,376)**	(487,376)	-	-	-
Gross profit	**245,930**	245,930	-	-	-
Exploration and evaluation costs	**(13,879)**	-	(2,380)	(11,499)	-

Other operating costs	**(49,100)**	(15,756)	(21)	(247)	(33,076)
Other income	**5,708**	6,922	(105)	(238)	(871)
Finance income	**196**	(1)	-	-	197
Impairment of exploration and evaluation asset	**(35,208)**	-	(35,208)	-	-
Profit/(loss) for the year before tax	**153,647**	237,095	(37,714)	(11,984)	(33,750)
Tax	**20**	20	-	-	-
Profit/(loss) for the year after tax	**153,667**	237,115	(37,714)	(11,984)	(33,750)
Profit/(loss) for the year after tax attributable to:					
– the owners of the parent(1)	**101,527**	184,975	(37,714)	(11,984)	(33,750)
– non-controlling interest in SGM(1)	**52,140**	52,140	-	-	-

(1) Please note that the cost recovery model on which profit share is based under the Concession Agreement is different to the accounting results presented above due to various adjustments and as such the share of profit disclosed above is not reflective of the 55%:45% split that was in place from 1 July 2018 to 30 June 2020 and 50%:50% split from 1 July 2020 onwards that occurs in practice, refer to the statement of cash flows by operating segment below for further information.

For the year ended 31 December 2020	Total US$'000	Egypt Mining US$'000	Burkina Faso US$'000	Côte d'Ivoire US$'000	Corporate US$'000
Statement of comprehensive income					
Revenue	**828,737**	828,737	–	–	–
Cost of sales	**(449,441)**	(449,441)	–	–	–
Gross profit	**379,296**	379,296	–	–	–
Exploration and evaluation costs	**(17,391)**	–	(2,803)	(14,588)	–
Other operating costs	**(56,392)**	(30,760)	307	(197)	(25,742)
Other income	**6,972**	4,820	54	35	2,063
Profit on financial assets at fair value through profit or loss	**960**	–	–	–	960
Finance income	**1,554**	77	–	–	1,477
Profit/(loss) for the year before tax	**314,999**	353,433	(2,442)	(14,750)	(21,242)
Tax	**(50)**	(50)	–	–	–
Profit/(loss) for the year after tax	**314,949**	353,383	(2,442)	(14,750)	(21,242)
Profit/(loss) for the year after tax attributable to:					
– the owners of the parent (1)	**155,979**	194,413	(2,442)	(14,750)	(21,242)
– non-controlling interest in SGM (1)	**158,970**	158,970	–	–	–

(1) Please note that the cost recovery model on which profit share is based under the Concession Agreement is different to the accounting results presented above due to various adjustments and as such the share of profit disclosed above is not reflective of the 55%:45% split that was in place from 1 July 2018 to 30 June 2020 and 50%:50% split from the 1 July 2020 onwards that occurs in practice, refer to the statement of cash flows by operating segment below for further information.

Statement of cash flows by operating segment:

For the year ended 31 December 2021	Total US$'000	Egypt Mining US$'000	Egypt Exploration US$'000	Burkina Faso US$'000	Côte d'Ivoire US$'000	Corporate US$'000
Statement of cash flows						
Net cash generated from/(used in) operating activities [(1)]	**309,878**	372,972	887	200	901	(65,082)
Net cash (used in)/generated from investing activities	**(240,676)**	(241,250)	–	(1)	(308)	883
Net cash used in financing activities	**(157,108)**	(150,400)	–	-	-	(6,708)
Own shares acquired	**(1,391)**	-	–	-	-	(1,391)
Dividend paid – non-controlling interest in SGM	**(75,200)**	(75,200)	–	-	-	-
Dividend (paid)/received – controlling interest in SGM	**-**	(75,200)	–	-	-	75,200
Dividend paid – owners of the parent	**(80,517)**	**–**	–	-	-	(80,517)
Net (decrease)/increase in cash and cash equivalents	**(87,906)**	**(18,678)**	887	199	593	(70,907)
Cash and cash equivalents at the beginning of the year	**291,281**	9,892	–	5	456	280,928
Effect of foreign exchange rate changes	**4,446**	15,139	48	(199)	(190)	(10,352)
Cash and cash equivalents at the end of the year	**207,821**	6,353	935	5	859	199,669

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

For the year ended 31 December 2020	Total US$'000	Egypt Mining US$'000	Egypt Exploration US$'000	Burkina Faso US$'000	Côte d'Ivoire US$'000	Corporate US$'000
Statement of cash flows						
Net cash generated from/(used in) operating activities[(1)]	**453,305**	517,341	–	343	(41)	(64,338)
Net cash (used in)/generated from investing activities	**(129,848)**	(138,722)	–	(3)	(65)	8,942
Net cash used in financing activities	**(3,298)**	–	–	–	–	(3,298)
Dividend paid – non-controlling interest in SGM	**(174,275)**	(174,275)	–	–	–	–
Dividend (paid)/received – controlling interest in SGM	**–**	(196,725)	–	–	–	196,725
Dividend paid – owners of the parent	**(138,725)**	–	–	–	–	(138,725)
Net increase/(decrease) in cash and cash equivalents	**7,159**	7,619	–	340	(106)	(694)
Cash and cash equivalents at the beginning of the year	**278,229**	5,881	–	16	562	271,770
Effect of foreign exchange rate changes	**5,893**	(3,608)	–	(351)	–	9,852
Cash and cash equivalents at the end of the	**291,281**	9,892	–	5	456	280,928

year		

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

Exploration expenditure by operating segment:

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

	For the year ended 31 December 2021 US$'000	For the year ended 31 December 2020 US$'000
Côte d'Ivoire	**11,499**	14,588
Burkina Faso	**2,380**	2,803
Exploration expenditure - greenfield	**13,879**	17,391
Egypt (Sukari tenement)	**15,943**	11,717
Exploration expenditure - brownfield	**15,943**	11,717
Total exploration expenditure	**29,822**	29,108

ACCOUNTING POLICY: SEGMENT REPORTING

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

2.2 Revenue

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

	For the year ended 31 December 2021 US$'000	For the year ended 31 December 2020 US$'000
Gold sales	**731,945**	827,622
Silver sales	**1,361**	1,115
	733,306	828,737

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

ACCOUNTING POLICY: REVENUE

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

Sale of goods

Under IFRS 15, revenue from the sale of mineral production is recognised when the Group has passed control of the mineral production to the buyer, it is probable that economic benefits associated with the transaction will flow to the Group, the sales price can be measured reliably, and the Group has no significant continuing involvement and the costs incurred or to be incurred in respect of the transaction can be measured reliably. This is when insurance risk has passed to the buyer and the goods have been collected at the agreed location.

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

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

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 SGM. This royalty is calculated and recognised on receipt of the final certificate of analysis document received from the refinery. Due to its nature, this royalty is not recognised in cost of sales but rather in other operating costs.

2.3 Profit before tax

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

	For the year ended 31 December 2021 US$'000	For the year ended 31 December 2020 US$'000
Other income		
Net foreign exchange gains	**5,158**	6,922
Other income	**550**	50
	5,708	6,972
Finance income		
Interest received	**196**	1,554
Expenses		
Cost of sales		
Mine production costs	**(368,327)**	(339,012)
Movement in inventory	**19,968**	13,704
Depreciation and amortisation	**(139,017)**	(124,133)
	(487,376)	(449,441)
Other operating costs		
Corporate compliance	**(2,698)**	(3,049)
Fees payable to the external auditors	**(856)**	(924)
Corporate consultants	**(1,914)**	(4,033)
Salaries and wages	**(10,094)**	(7,262)
Other administration expenses	**(3,070)**	(3,147)
Employee equity settled share-based payments	**(3,747)**	836
Corporate costs (sub-total)	**(22,379)**	(17,579)
Other provisions	**(731)**	(10,309)
Net movement on provision for stock obsolescence	**(3,135)**	(958)
Other non-corporate operating expenses	**(511)**	(2,017)

Royalty – attributable to the ARE government	**(21,672)**	(24,792)
Bank charges	**(186)**	(179)
Finance charges	**(486)**	(558)
Other operating costs (total)	**(49,100)**	(56,392)

ACCOUNTING POLICY: FINANCE INCOME, OTHER INCOME AND FOREIGN CURRENCIES

Finance income

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

Foreign currencies

The individual financial statements of each Group entity are presented in its functional currency being the currency of the primary economic environment in which the entity operates. For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in US dollars, which is the functional currency of all companies in the Group and the presentation currency for the consolidated financial statements.

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

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

2.4 Non-controlling interest in SGM

EMRA is a 50% shareholder in SGM and is entitled to a share of 50% of SGM's net production surplus which can be defined as 'revenue less payment of the fixed royalty to the ARE and recoverable costs'.

Earnings attributable to the non-controlling interest in SGM (i.e., EMRA) are pursuant to the provisions of the CA and are recognised as profit attributable to the non-controlling interest in SGM in the attribution of profit section of the statement of comprehensive income of the Group. The profit share payments during the year will be reconciled against SGM's audited financial statements. The SGM financial statements for the year ended 30 June 2021 have been audited and signed off at the date of this report.

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

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

	For the year ended 31 December 2021 US$'000	For the year ended 31 December 2020 US$'000
Statement of comprehensive income		
Profit for the year after tax attributable to the non-controlling interest in SGM (1)	52,140	158,970
Statement of financial position		
Total equity attributable to non-controlling interest in SGM (1) (opening)	(17,196)	(1,891)
Profit for the year after tax attributable to the non-controlling interest in SGM(1)	52,140	158,970
Dividend paid – non-controlling interest in SGM	(75,200)	(174,275)
Total equity attributable to non-controlling interest in SGM (1) (closing)	(40,256)	(17,196)

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

Any variation between payments made during the year (which are based on the Company's estimates) and the SGM audited financial statements, may result in a balance due and payable to EMRA or advances to be offset against future distributions. This will be reflected as an amount attributable to the non-controlling interest in SGM on the statement of financial position and statement of changes in equity.

(b) Statement of cash flows impact

	For the year ended 31 December 2021 US$'000	For the year ended 31 December 2020 US$'000
Statement of cash flows		
Dividend paid – non-controlling interest in SGM (1)	**(75,200)**	(174,275)

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

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

2.5 Tax

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

In Egypt, Pharaoh Gold Mines NL ("PGM") has entered into a Concession Agreement ("CA") that provides that the income generated by SGM's activities is granted a long-term tax exemption from all taxes imposed in Egypt, other than the fixed royalty attributable to the Egyptian government, rental income on property and interest income on cash and cash equivalents.

The CA grants certain tax exemptions, including the following:

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

Relevance of tax consolidation to the consolidated entity

In Australia, Centamin Egypt Limited and Pharaoh Gold Mines NL, both wholly owned Australian resident entities within the Group, have elected to form a tax-consolidated group from 1 July 2003 and therefore are treated as a single entity for Australian income tax purposes. The head entity within the tax-consolidated group is Centamin Egypt Limited. Pharaoh Gold

Mines NL, which has a registered Egyptian branch, benefits from the 'branch profits exemption' whereby foreign branch income will generally not be subject to Australian income tax. Ampella Mining Limited is a single entity for Australian income tax purposes.

Nature of tax funding arrangements and tax-sharing agreements

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

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

Tax recognised in profit is summarised as follows

Tax credit/(expense)

	For the year ended 31 December 2021 US$'000	**For the year ended 31 December 2020 US$'000**
Current tax		
Current tax credit/(expense) in respect of the current year	**20**	(50)
Deferred tax	–	–
Total tax credit/(expense)	**20**	(50)

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

	For the year ended 31 December 2021 US$'000	**For the year ended 31 December 2020 US$'000**
Profit for the year before tax	**153,647**	314,999
Tax expense calculated at 0%(1) (2020: 0%)(1) of profit for the year before tax	**–**	–
Tax effect of amounts which are not deductible/taxable in calculating taxable income:		
Effect of different tax rates of subsidiaries operating in other jurisdictions	**20**	(50)
Tax	**20**	(50)

(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 (2020: 0%). There has been no change in the underlying corporate tax rates when compared with the previous financial period.

Tax recognised in the balance sheet is summarised as follows:

	For the year ended 31 December 2021 US$'000	**For the year ended 31 December 2020 US$'000**
Current tax liabilities	**253**	267

ACCOUNTING POLICY: TAXATION

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

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.

2.6 Financial assets at fair value through profit or loss

	For the year ended 31 December 2021 US$'000	For the year ended 31 December 2020 US$'000
Balance at the beginning of the year	–	6,454
Disposals at market value	–	(7,414)
Unrealised gain on fair value of investment – profit or loss	–	960
Balance at the end of the year	–	–

The financial assets at fair value through profit or loss in 2020 related to an equity interest in a listed public company which the Group disposed of in full in that year ended.

ACCOUNTING POLICY: FINANCIAL INSTRUMENTS

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement as defined below. Financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Other financial liabilities

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

Derecognition of financial liabilities

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

Financial assets

Classification

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

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

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

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

Recognition and derecognition

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

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, it continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Measurement

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

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

Effective interest method

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

Loans and receivables

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

Impairment of financial assets

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

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

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

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

2.7 Trade and other receivables

	For the year ended	For the year ended

	31 December 2021 US$'000	31 December 2020 US$'000
Non-current		
Other receivables – deposits	**101**	103
Current		
Gold and silver sales debtors	**29,147**	12,492
Other receivables	**3,432**	5,932
	32,579	18,424

Trade and other receivables are classified as financial assets subsequently measured at amortised cost.

All gold and silver sales during the year were made to a single customer in North America, Asahi Refining Canada Ltd, and are neither past due nor impaired.

The average age of the receivables is 16 days (2020: 8 days) and expected credit losses are considered immaterial. No interest is charged on the receivables. There are no trade receivables past due and impaired at the reporting date, and thus no allowance for doubtful debts has been recognised. Of the trade receivables balance, the gold and silver sales debtor is all a receivable from Asahi Refining Canada Ltd. The amount due has been received in full subsequent to year end. Other receivables represent GST and VAT owing from various jurisdictions that the Group operates in.

The Directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value, therefore no expected credit loss is recognised within this note, see note 3.1.1 for the risk assessment related to trade receivables.

2.8 Prepayments

	For the year ended 31 December 2021 US$'000	For the year ended 31 December 2020 US$'000
Current		
Prepayments	**7,964**	8,908
	7,964	8,908

Refer to note 5.1 regarding the outcome of the Diesel Fuel Oil ("DFO") dispute.

2.9 Property, plant, and equipment

	Office equipment US$'000	Buildings US$'000	Plant and equipment US$'000	Mining equipment US$'000	Mine development properties US$'000	Capital work in progress US$'000	Total US$'000
Year ended 31 December 2021 Cost							
Balance at 1 January 2021	8,792	5,690	617,465	359,009	662,496	44,554	1,698,006
Additions	11	-	54	231	-	224,633	224,929
Increase in rehabilitation asset	-	-	-	-	21,875	-	21,875
Transfers from capital work in progress	1,127	8,489	7,848	54,042	112,678	(184,184)	-

Transfers from exploration and evaluation asset	-	-	-	-	19,175	-	19,175
Disposals	(687)	(5)	(290)	(53,673)	-	-	(54,655)
Disposals: IFRS16 right of use assets	-	(351)	-	(142)	-	-	(493)
Balance at 31 December 2021	9,243	13,823	625,077	359,467	816,224	85,003	1,908,837
Accumulated depreciation and amortisation							
Balance at 1 January 2021	**(7,542)**	**(1,641)**	**(242,853)**	**(298,572)**	**(317,514)**	-	**(868,122)**
Depreciation and amortisation	**(688)**	**(1,597)**	**(33,077)**	**(43,518)**	**(60,574)**	-	**(139,454)**
Disposals	**687**	**212**	**290**	**53,769**	**-**	-	**54,958**
Balance at 31 December 2021	**(7,543)**	**(3,026)**	**(275,640)**	**(288,323)**	**(378,088)**	-	**(952,620)**
Year ended 31 December 2020 Cost							
Balance at 1 January 2020	**7,789**	**3,533**	**613,792**	**334,119**	**561,780**	**28,584**	**1,549,597**
Additions	**73**	**203**	**141**	**153**	**–**	**126,529**	**127,099**
Additions: IFRS16 right of use assets	**–**	**1,604**	**–**	**47**	**–**	**–**	**1,651**
Increase in rehabilitation asset	**–**	**–**	**–**	**–**	**5,574**	**–**	**5,574**
Transfers from capital work in progress	**930**	**480**	**3,784**	**25,787**	**78,988**	**(109,969)**	**–**
Transfers from exploration and evaluation asset	**–**	**–**	**–**	**–**	**16,154**	**–**	**16,154**
Disposals	**–**	**–**	**(110)**	**(1,097)**	**–**	**(590)**	**(1,797)**
Disposals: IFRS16 right of use assets	**–**	**(130)**	**(142)**	**–**	**–**	**–**	**(272)**
Balance at 31 December 2020	**8,792**	**5,690**	**617,465**	**359,009**	**662,496**	**44,554**	**1,698,006**
Accumulated depreciation and amortisation							
Balance at 1 January 2020	(6,974)	(1,097)	(213,681)	(250,519)	(272,609)	-	(744,880)
Depreciation and amortisation	(568)	(609)	(29,303)	(49,127)	(44,905)	-	(124,512)
Disposals	-	65	131	1,074	-	-	1,270
Balance at 31 December 2020	(7,542)	(1,641)	(242,853)	(298,572)	(317,514)	-	(868,122)
Net book value							
As at 31 December 2021	**1,700**	**10,797**	**349,437**	**71,144**	**438,136**	**85,003**	**956,217**

As at 31 December 2020	**1,250**	**4,049**	**374,612**	**60,437**	**344,982**	**44,554**	**829,884**

Included within the depreciation charge is US$0.7 million within the buildings asset class and US$0.1 million related to plant and equipment in relation to depreciation of ROU assets (2020: US$0.5 million buildings and US$0.1 million plant and equipment).

An impairment trigger assessment was performed in 2021 on all Cash Generating Units ("CGUs") including the Sukari Mine, refer to note 1.3.4 above, however no impairment triggers on property, plant and equipment were identified in the assessment.

Deferred stripping assets of US$59 million were recognised in the year ended 31 December 2021, which have been included within mine development properties, US$10m of amortisation has been recognised in the year related to these assets.

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

ACCOUNTING POLICY: PROPERTY, PLANT AND EQUIPMENT ("PPE")

PPE is stated at cost less accumulated depreciation and impairment. PPE will include capitalised development expenditure. Cost includes expenditure that is directly attributable to the acquisition of the item and 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 year in which they are incurred. The cost of PPE includes the estimated restoration costs associated with the asset.

Depreciation is charged on PPE, except for capital work in progress. Depreciation is calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Depreciation on capital work in progress commences on commissioning of the asset and transfer to the relevant PPE category.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual financial year, with the effect of any changes recognised on a prospective basis. The following estimated useful lives are used in the calculation of straight-line basis depreciation:

Plant and equipment: 2 – 20 years

Office equipment: 3–7 years

Mining equipment: 2–13 years

Buildings 4–20 years

Where the assets relate to an active mine site, the shorter of the above periods or remaining life of mine are used.

Freehold land is not depreciated, and all other depreciable assets are depreciated over their useful life or the life of mine whichever is shorter.

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

Mine development properties

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

Amortisation is first charged to new mine development ventures from the date of first commercial production. Amortisation of mine properties is on a unit of production basis resulting in an amortisation charge proportional to the depletion of the proven and probable ore reserves. The unit of production is on an ore tonne depleted basis for open pit mining property assets and an ounce depleted basis for underground mining property assets.

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

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

The Group adopted its accounting policy on stripping costs in the production phase of a surface mine effective 1 January 2012. IFRIC20 provides clarity on how to account for and measure the removal of mine waste materials which provide access to mineral ore deposits. Within Sukari's Open Pit operations, removal of mine overburden or waste material is routinely necessary to gain access to mineral ore deposits and 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 IAS2 ‘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:

1. it is probable that the future economic benefit (improved access to the ore body) associated with the stripping activity will flow to the entity;
2. the entity can identify the component of the ore body for which access has been improved; and
3. 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 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 deferred stripping asset is initially measured at cost and subsequently carried at cost or its revalued amount less depreciation or amortisation and impairment losses. A stripping 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 unit of production method based on the total ounces to be produced for the component over the life of the component of the ore body.

Capitalised deferred stripping costs are included in ‘Mine Development Properties’, within Property, plant, and equipment. 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 cost of sales.

The stripping costs associated with the current period operations are expensed during that period and any stripping activity cost associated with producing future benefit is deferred on the balance sheet and amortized over the period that the benefit is received i.e., is classified as capital expenditure, creating a Deferred Stripping asset.

The SGM components are the separate stages of the open pit mine. For each component, the stripping ratio is determined, and costs are capitalised if the stripping ratio in the year for that component is greater than the overall LOM stripping ratio for that component.

The change in mine plan has necessitated an increase in stripping activity during the year (more than has been experienced in the past) and includes activity from both internal and external parties. As a result, there has been a significant increase in the stripping activity. Based on the calculations performed the amount capitalized to the balance sheet for 2021 is US$59m.

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 to determine the extent of the impairment loss (if any). For the purposes of assessing impairment, assets are grouped at the lowest levels for which they potentially generate largely independent cash inflows (cash generating units).

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

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

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

2.10 Exploration and evaluation asset

	For the year ended 31 December 2021 US$’000	For the year ended 31 December 2020 US$’000
Balance at the beginning of the year	**63,701**	68,138

Expenditure for the year	**15,943**	11,717
Transfer to property, plant, and equipment	**(19,175)**	(16,154)
Impairment charge on exploration and evaluation asset	**(35,208)**	-
Balance at the end of the year	**25,261**	63,701

The exploration and evaluation asset relates to the drilling, geological exploration and sampling of potential ore reserves and can all be attributed to Egypt (US$25.3 million).

In accordance with the requirements of IAS 36 'Impairment of assets' and IFRS 6 'Exploration for and evaluation of mineral resources' exploration and evaluation assets are assessed for impairment when facts and circumstances (as defined in IFRS 6 'Exploration for and evaluation of mineral resources') suggest that the carrying amount of exploration and evaluation assets may exceed its recoverable amount.

An impairment trigger assessment was performed in 2021 on the exploration and evaluation assets, and the asset in Burkina Faso of US$35.2 million relating to the acquisition of Ampella Mining Limited was impaired in full in the current year, refer to note 1.3.2 and 1.3.3.

ACCOUNTING POLICY: EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE

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

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

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

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

Greenfield exploration costs will be expensed as incurred and will not be capitalised to the balance sheet until a decision is made to pursue a commercially viable project. Brownfield exploration costs will continue to be capitalised to the statement of financial position. Brownfield exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

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

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

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

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

Mine development expenditure is recognised at cost less accumulated amortisation and any impairment losses. When commercial production 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 the unit of production calculations are dealt with on a prospective basis.

Income derived by the entity prior to the date of commercial production is offset against the expenditure capitalised and carried in the consolidated statement of financial position. All revenues recognised after commencement of commercial production are recognised in accordance with the Revenue Policy stated in note 2.2.

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

2.11 Inventories

The treatment and classification of mining stockpiles within inventory is split between current and non-current assets. Priority is placed on the higher-grade ore, accordingly, stockpiles which will not be consumed within the next twelve months based on mining and processing forecasts have been classified to non-current assets. The volume of ore extracted from the open pit in the year exceeded the volume that could be processed, which has caused a large increase in the volume and value of the mining stockpiles.

The carrying value of the non-current asset portion is assessed at the lower of cost or net realisable value. The long-term gold price would have to reduce to approximately US$1,460 per ounce for the net realisable value to fall below carrying value.

	For the year ended 31 December 2021 US$'000	For the year ended 31 December 2020 US$'000
Non-current		
Mining stockpiles	**64,756**	64,870

Current		
Mining stockpiles, ore in circuit, doré supplies	60,194	40,112
Stores inventory	74,452	81,383
Provision for obsolete stores inventory	(5,925)	(2,790)
	128,721	118,705

The calculation of weighted average costs of mining stockpiles is applied at a detailed level. The open pit ore on the Mine ROM is split into seven different grade categories and the underground ore is treated as a single high-grade category. Each grade category is costed individually on a weighted average basis applying costs specifically related to that extracting and moving that grade of ore to and from the Mine ROM pad. The grade categories range from high grade underground and open pit ore to low grade open pit ore. Costs per contained ounce differ between the various cost categories.

Currently at Sukari, low grade low (0.4 to 0.5g/t) open pit stockpile material above the cut-off grade of 0.4g/t has been classified as follows on the statement of financial position:

- 1.7Mt at 0.47g/t to current assets as these ore tonnes are scheduled to be processed within the next twelve months; and
- 11.8Mt at 0.44g/t to non-current assets as these ore tonnes are not scheduled to be processed within the next twelve months.

ACCOUNTING POLICY: INVENTORIES

Inventories include mining stockpiles, gold in circuit, doré supplies and stores and materials. All inventories are stated at the lower of cost and net realisable value (NRV). The cost of mining stockpiles and gold produced is determined principally by the weighted average cost method using related production costs.

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

The processing of ore in stockpiles occurs in accordance with the LOM processing plan and is currently being optimised based on the known Mineral Reserves, current plant capacity and mine design. Ore tonnes contained in the stockpiles which exceed the annual tonnes to be milled as per the mine plan in the following year, are classified as non-current in the statement of financial position.

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

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

2.12 Trade and other payables

	For the year ended 31 December 2021 US$'000	For the year ended 31 December 2020 US$'000
Non-current		
Other creditors (1)	**10,386**	1,437
Current		
Trade payables	**36,050**	31,483
Other creditors and accruals (1)	**39,709**	33,005
	75,759	64,488

(1) The increase in the other creditors is mainly due to the reclassification from provisions to accruals of the US$9.8m relating to the non-current portion of the remaining EMRA settlement amount balance totalling US$12m as at 31 December 2021 as the timing and amount of the settlement amount was established in the year following the signing of the settlement agreement. US$2m of the balance remains in the current category as it will be settled within the next 12 months from the reporting date. Also included within non-current other creditors are lease liabilities of US$634k.

Trade payables principally comprise the amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 29 days (2020: 26 days). Trade payables are interest free for periods ranging from 30 to 180 days. Thereafter interest is charged at commercial rates.

The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe. Other creditors and accruals relate to various accruals that have been recognised due to amounts known to be outstanding for which the related invoices have not yet been received.

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

Accounting policy: Trade and other payables

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

Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, bonuses, pensions, 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 the reporting date.

Superannuation

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

2.13 Provisions

	For the year ended 31 December 2021 US$'000	For the year ended 31 December 2020 US$'000
Current		
Employee benefits[(1)]	**2,798**	1,440
Provision for cost recovery items[(2)]	**-**	5,089
Other current provisions[(3)]	**1,819**	951
	4,617	7,480
Non-current		
Restoration and rehabilitation[(4)]	**42,647**	20,496
Provision for cost recovery items[(2)]	**-**	12,229
Other non-current provisions	**-**	27
	42,647	32,752
Movement in restoration and rehabilitation provision		
Balance at beginning of the year	**20,496**	14,572
Additional provision recognised	**21,875**	5,574
Interest expense – unwinding of discount	**276**	350
Balance at end of the year	**42,647**	20,496

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

(2) Provision was held for in-country settlement of cost recovery items relating to EMRA, the amount is based on the written offer proposed to EMRA in March 2021 to settle all outstanding matters which includes payment of US$17.6 million spread over a 5.5-year period. The recognised amount was discounted to present value. The current year amount has been reclassified to other liabilities (accruals) as the timing and amounts payable are now certain due to a settlement agreement being signed with EMRA, refer to note 2.12.

(3) Provision for customs, rebates and withholding taxes.

(4) The provision for restoration and rehabilitation has been discounted by 1.38% (2020: 1.35%) using a US$ applicable rate and inflation applied at 2.5% (2020: 1.23%). The annual review undertaken as at 31 December 2021 has resulted in a US$21.9 million increase in the provision (2020: US$5.6 million). The key assumption within the estimate with the various ranges and further detail disclosed in note 1.3.9.

ACCOUNTING POLICY: RESTORATION AND REHABILITATION

A provision for restoration and rehabilitation is recognised when there is a present legal or constructive obligation as a result of exploration, development and production activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the costs of dismantling and removal of facilities, restoration, and monitoring of the affected areas. The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date in accordance with the requirements of the Concession Agreement. 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 provision for restoration and rehabilitation represents the present value of the Directors' best estimate of the future outflow of economic benefits that will be required to decommission infrastructure, restore affected areas by ripping and grading of compacted surfaces to blend with the surroundings, closure of project components to ensure stability and safety at the Group's sites at the end of the life of mine. This restoration and rehabilitation estimate has been made based on benchmark assessments of restoration works required following mine closure and after considering the projected area disturbed to date.

Discount rates to present value the future obligations are determined by reference to risk free rates for periods which approximate the period of the associated obligation.

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 the income statement rather than capitalised to the related asset.

2.14 Issued capital

	31 December 2021		31 December 2020	
	Number	**US$'000**	**Number**	**US$'000**
Fully paid ordinary shares				
Balance at beginning of the year	**1,155,955,384**	**668,807**	1,155,955,384	672,105
Own shares acquired during the year[1]	**-**	**(1,391)**	–	(3,298)
Employee share option scheme – proceeds from shares issued	**495,311**	**-**	–	–
Transfer from share option reserve	**-**	**2,115**	–	–
Balance at end of the year	**1,156,450,695**	**669,531**	1,155,955,384	668,807

(1) The US$1.4m (2020: US$3.3m) represents the cost of shares in Centamin plc purchased in the market and held by the Centamin plc Employee Benefit Trust to satisfy share awards under the Group's share options plans.

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

Pursuant to the plan rules, at 31 December 2021, the trustee of the deferred bonus share plan held 2,205,280 ordinary shares (2020: 2,373,049 ordinary shares).

Fully paid ordinary shares carry one vote per share and carry the right to dividends. See note 6.3 for more details of the share awards.

ACCOUNTING POLICY: ISSUED CAPITAL

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

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

2.15 Share option reserve

	For the year ended 31 December 2021 US$'000	For the year ended 31 December 2020 US$'000
Share option reserve		
Balance at beginning of the year	**3,343**	4,179
Share-based payments expense	**4,044**	3,190
Transfer to accumulated profits	**(297)**	(4,026)

Transfer to issued capital	**(2,115)**	–
Balance at the end of the year	**4,975**	3,343

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

2.16 Cash flow information

(a) Reconciliation of cash and cash equivalents

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

	For the year ended 31 December 2021 US$'000	For the year ended 31 December 2020 US$'000
Cash and cash equivalents	**207,821**	291,281

Most funds have been invested in international rolling short-term interest money market deposits.

ACCOUNTING POLICY: CASH AND CASH EQUIVALENTS

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

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

	For the year ended 31 December 2021 US$'000	For the year ended 31 December 2020 US$'000 Restated
Profit for the year before tax	**153,647**	314,999
Adjusted for:		
Profit on financial assets at fair value through profit or loss	**-**	(960)
Impairment of exploration and evaluation assets	**35,208**	-
Depreciation/amortisation of property, plant, and equipment	**139,454**	124,512
Inventory written off	**21**	29
Prepayments written off	**-**	986
Inventory obsolescence provision	**3,135**	958
Foreign exchange gains, net	**(5,158)**	(6,921)
Share-based payments expense/(credit)	**3,747**	(836)
Finance income	**(196)**	(1,554)
Loss on disposal of property, plant, and equipment	**53**	623
Changes in working capital during the year:		
(Increase)/decrease in trade and other receivables	**(14,155)**	28,637
Increase in inventories	**(13,036)**	(22,919)

Decrease/(increase) in prepayments	**946**	(2,785)
Increase in trade and other payables	**8,823**	7,076
(Decrease)/increase in provisions	**(2,616)**	11,470
Cash flows generated from operating activities	**309,873**	453,315

(c) Non-cash financing and investing activities

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

3. Group financial risk and capital management

3.1 Group financial risk management

3.1.1 Financial instruments

(a) Group risk management

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

The Group has no debt and thus not geared at the year-end or in the prior year. The capital structure consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital and reserves as disclosed in notes 2.14 and 2.15. The Group operates in Australia, Jersey, Egypt, Burkina Faso, and Côte d'Ivoire. None of the Group's entities are subject to externally imposed capital requirements.

The Group utilises inflows of funds toward the ongoing exploration and development of SGM in Egypt and the exploration projects in Côte d'Ivoire and Egypt.

Categories of financial assets and liabilities

	For the year ended 31 December 2021 US$'000	For the year ended 31 December 2020 US$'000
Financial assets		
Cash and cash equivalents	**207,821**	291,281
Trade and other receivables	**32,579**	17,593
	240,400	308,874
Financial liabilities		
Non-current		
Other payables	**10,386**	1,437
Current		
Trade and other payables	**75,759**	64,488
Tax liabilities	**253**	267

(b) Financial risk management and objectives

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

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

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

(c) Market risk

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

Financial instruments denominated in Great British pounds, Australian dollars and Egyptian pounds are as follows:

	Great British pound		Australian dollar		Egyptian pound	
	31 December 2021 US$'000	31 December 2020 US$'000	31 December 2021 US$'000	31 December 2020 US$'000	31 December 2021 US$'000	31 December 2020 US$'000
Financial assets						
Cash and cash equivalents	1,392	**4,997**	16,063	**17,566**	2,147	**2,057**
	1,392	**4,997**	16,063	**17,566**	2,147	**2,057**
Financial liabilities						
Trade and other payables	1,835	**2,682**	15,530	**19,883**	23,727	**13,829**
	1,835	**2,682**	15,530	**19,883**	23,727	**13,829**
Net exposure	(443)	**2,315**	533	**(2,317)**	(21,580)	**(11,772)**

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 year, using the observed range of actual historical rates.

	Impact on profit		Impact on equity	
	31 December 2021 US$'000	31 December 2020 US$'000	31 December 2021 US$'000	31 December 2020 US$'000
US$/GBP increase by 10%	634	555	-	–
US$/GBP decrease by 10%	(774)	(680)	-	–
US$/AUD increase by 10%	866	588	-	–
US$/AUD decrease by 10%	(1,058)	(718)	-	–
US$/EGP increase by 10%	(1,476)	(655)	-	–
US$/EGP decrease by 10%	1,804	799	-	–

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

The amounts shown above are the main currencies which the Group is exposed to. Centamin also has small deposits in Euro (US$37,552) and West African Franc (US$863,807), and net payables in Euro (US$2,384,886) and in West African Franc (US$1,105,789). A movement of 10% up or down in these currencies would have a negligible effect on the assets/liabilities.

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

(d) Commodity price risk

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

Gold price

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

	Decrease by 10% US$/oz	31 December 2021 US$/oz	Increase by 10% US$/oz
Average realised gold price	1,618	1,797	1,977

	Decrease by 10% US$'000	31 December 2021 US$'000	Increase by 10% US$'000
Profit after tax	81,349	153,667	223,346

Fuel price

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

	Decrease by 10% US$/litre	31 December 2021 US$/litre	Increase by 10% US$/litre
Fuel price	0.47	0.52	0.57

	Decrease by 10% US$'000	31 December 2021 US$'000	Increase by 10% US$'000
Mine production costs	(9,714)	(368,327)	9,714

(e) Interest rate risk and liquidity risk

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

The financial instruments exposed to interest rate risk and the Group's exposure to interest rate risk as at the balance sheet date were as per the table below.

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

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

	Weighted average effective interest rate	Less than one month US$'000	One to twelve months US$'000	One to two years US$'000	Two to five years US$'000	Total US$'000

	%					
31 December 2021						
Financial assets						
Variable interest rate instruments	**0.13%**	**60,278**	**125,058**	**–**	**–**	**185,336**
Non-interest bearing	**0%**	**55,064**	**–**	**–**	**–**	**55,064**
		115,342	**125,058**	**–**	**–**	**240,400**
Financial liabilities						
Non-interest bearing	**0%**	**73,535**	**3,111**	**2,461**	**7,291**	**86,398**
		73,535	**3,111**	**2,461**	**7,291**	**86,398**
31 December 2020						
Financial assets						
Variable interest rate instruments	0.42%	111,147	150,009	–	–	261,156
Non-interest bearing	–	47,718	–	–	–	47,718
		158,865	150,009	–	–	308,874
Financial liabilities						
Non-interest bearing	–	66,694	–	–	–	66,694
		66,694	–	–	–	66,694

(f) Credit risk

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

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

(g) Fair value

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

(h) Mineral reserve and resource statement impact on ore reserves

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 1.3.5 above and the range of possible outcomes are described more fully below.

Depreciation of capitalised underground mine development costs

Depreciation of capitalised underground mine development costs at SGM is based on reserve estimates. Management and Directors believe that these estimates are both realistic and conservative, based on current information. The analysis assumes that the reserve estimate has increased/decreased by 25% with all other variables held constant.

	Decrease by 25% US$'000	31 December 2021 US$'000	Increase by 25% US$'000
Amortisation of rehabilitation asset (within mine development properties)	(1,915)	(1,436)	(1,077)

Amortisation of mine development properties (remainder)	(78,850)	(59,138)	(44,353)
Mine development properties – net book value	417,945	438,136	453,280
Property, plant, and equipment – net book value	937,951	958,142	973,286

The capitalised deferred stripping asset has been excluded from the above sensitivity analysis as it is not yet being amortised.

3.2 Capital management

3.2.1 Risk management

The Group's objectives when managing capital are to:

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

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

3.2.2 Dividends to owners of the parent

	For the year ended 31 December 2021 US$'000	For the year ended 31 December 2020 US$'000
Ordinary shares		
Final dividend for the year ended 31 December 2020 of 3.0 US cents per share (2020: Q1 interim dividend for the year ended 31 December 2020 of 6.0 US cents per share)	**34,461**	69,240
Q2 Interim dividend for the year ended 31 December 2021 of 4.0 US cents per share (2020: Q2 Interim dividend for the year ended 31 December 2020 of 6.0 US cents per share)	**46,056**	69,485
Total dividends provided for or paid	**80,517**	138,725
Dividends to owners of the parent:		
Paid in cash	**80,517**	138,725

4. Group structure

4.1 Subsidiaries and controlled entities

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

	Nature of activity	Country of incorporation	Ownership interest 31 December 2021 %	Ownership interest 31 December 2020 %
Centamin Egypt Limited	Holding company	Australia[(2)]	100	100
Pharaoh Gold Mines NL (holder of an Egyptian branch)	Holding company	Australia[(2)]	100	100
Sukari Gold Mining Company[(10)]	Mining Company	Egypt[(5)]	50	50
Centamin Group Services UK Limited	Services Company	UK[(3)]	100	100

Centamin West Africa Holdings Limited	Holding company	UK(4)	100	100
Sheba Exploration Limited (holder of an Ethiopia branch)	Holding company	UK(4)	100	100
Sheba Exploration Holdings Limited(1)	Exploration Company	UK(4)	100	100
Centamin Group Services Limited	Services Company	Jersey(9)	100	100
Centamin Holdings Limited	Holding company	Jersey(9)	100	100
MHA Limited	Holding company	Jersey(9)	100	100
Centamin Limited	Holding company	Bermuda(8)	100	100
Ampella Mining Limited	Holding company	Australia(2)	100	100
Ampella Mining Gold SARL	Exploration Company	Burkina Faso(6)	100	100
Ampella Mining SARL	Exploration Company	Burkina Faso(6)	100	100
Ampella Resources Burkina Faso	Exploration Company	Burkina Faso(6)	100	100
Konkera SA	Mining Company	Burkina Faso(6)	100	90
Ampella Mining Côte d'Ivoire	Exploration Company	Côte d'Ivoire(7)	100	100
Centamin Côte d'Ivoire	Exploration Company	Côte d'Ivoire(7)	100	100
Ampella Mining Exploration CDI	Exploration Company	Côte d'Ivoire(7)	100	100
Centamin Exploration CI	Exploration Company	Côte d'Ivoire(7)	100	100
Centamin Egypt Investments 1 (UK) Limited	Holding Company	UK(11)	100	-
Centamin Egypt Investments 2 (UK) Limited	Holding Company	UK(11)	100	-
Centamin Egypt Investments 3 (UK) Limited	Holding Company	UK(11)	100	-
Centamin Mining Services LLC	Services Company	Egypt(12)	100	-
Centamin Central Mining SAE	Exploration	Egypt(12)	100	-
Centamin North Mining SAE	Exploration	Egypt(12)	100	-
Centamin South Mining SAE	Exploration	Egypt(12)	100	-

(1) Previously Sheba Exploration (UK) plc.
(2) Address of all Australian entities: Suite 8, 7 The Esplanade, Mount Pleasant, WA 6153.
(3) Address of Centamin Group Services UK Limited, Second Floor, 9-10 Savile Row, London, W1S 3PF.
(4) Address of all other UK entities: Hill House, 1 Little New Street, London, EC4A 3TR.
(5) Address of all Egypt entities (except the new exploration entities in (11) and (12): 361 El-Horreya Road, Sedi Gaber, Alexandria, Egypt.
(6) 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.
(7) Address of all Côte d'Ivoire entities: 20 BP 945 Abidjan 20.
(8) Address of Bermuda entity: Appleby Corporate Services (Bermuda) Ltd, Canon's Court, 22 Victoria Street, Hamilton HM EX, Bermuda.
(9) Address of all Jersey entities: 2 Mulcaster Street, St Helier, Jersey JE2 3NJ.
(10) Sukari Gold Mining Company is fully consolidated within the Group under IFRS 10 'Consolidated financial statements' as if it were a subsidiary due to it being a controlled entity, reflecting the substance and economic reality of the Concession Agreement ("CA") (see note 1.3.1, note 4.1 and note 4.2).
(11) Address of all the holding companies of the new Egypt exploration companies; Hill House, 1 Little New Street, London, EC4A 3TR.
(12) Address of the new Egypt exploration companies: c/o Arabella Plaza, Building 2 First Floor, Office no. 1 to 3, Gamal Abdelansser Street, New Cairo

Through its wholly owned subsidiary, PGM, the Company entered into the Concession Agreement ("CA") with EMRA and the ARE granting PGM and EMRA the right to explore, develop, mine and sell gold and associated minerals in specific concession areas located in the Eastern Desert of Egypt. The CA 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 CA. 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 CA require that PGM solely funds SGM. PGM is however entitled to recover from sales revenue recoverable costs, as defined in the CA. 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 CA are recognised as dividend paid to the non-controlling interest in SGM.

4.2 Joint arrangements

The consolidated entity has interests in the following joint arrangements:

	Percentage interest	
Name of joint operation	**31 December 2021 %**	**31 December 2020 %**
Sukari Gold Mining Company (1)	50	50
Egyptian Pharaoh Investments (2)	50	50

(1) Sukari Gold Mining Company is fully consolidated within the Group under IFRS 10 'Consolidated financial statements' as if it were a subsidiary due to it being a controlled entity, reflecting the substance and economic reality of the Concession Agreement ("CA") (see note 1.3.1, note 4.1 and note 4.2).

(2) Dormant company.

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

Accounting policy: Interests in joint arrangements

The Group applies IFRS 11 'Joint arrangements'. Under IFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of 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 CA (see note 1.3.1 note 4.1 and note 4.2).

5. Unrecognised items

5.1 Contingent liabilities and contingent assets

Contingent liabilities

Fuel supply

In January 2012 the Group was notified by Chevron, its supplier of Diesel Fuel Oil, that, on the instructions of the Egyptian General Petroleum Corporation ("**EGPC**"), Chevron (which has since been taken over by Total Marketing Egypt) would only be able to supply Diesel Fuel Oil to the mine at Sukari at international prices rather than at local subsidised prices which had been charged prior to that date. It is understood that EGPC had been advised by 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. On 19 June 2012, legal proceedings were issued by PGM in the Administrative Court against EGPC and the Minister of Petroleum, alleging that the withdrawal of the subsidy was unlawful. 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, amounting to EGP403 million (approximately US$25.9 million at current exchange rates). EGPC filed a counterclaim against PGM for this amount.

In June 2020 the Administrative Court issued a judgement rejecting PGM's claim on procedural grounds, and at the same time it rejected EGPC's counterclaim (also on procedural grounds). The Court did not consider the merits of either PGM's case or the counterclaim. At the time the Group's legal advisers remained of the view that the Group had a strong case and advised that the judgement against PGM was based on an error of law. The Group therefore submitted an appeal, as did

EGPC. In December 2021 a further hearing was held, at which both appeals were rejected on procedural grounds, again without consideration of the merits of the case. Although the Group's Egyptian legal advisers are of the opinion that the Court made an error of law, this decision is final and PGM does not have any further right of appeal available to it.

However, although the Group believed that its grounds for challenging EGPC's decision were strong and that there was a good prospect of success, as a practical matter, and to ensure the continuation of supply whilst the matter was resolved, the Group continued to advance funds to its fuel supplier based on the international price for fuel from 2012 until the full withdrawal of the domestic subsidy for Diesel Fuel Oil in 2020. No provision has been made in respect of the historical subsidies prior to January 2012.

Even if PGM's claim had been successful, management recognised the practical difficulties associated with reclaiming funds from the government and for this reason had fully provided against the prepayment of US$367 million. The financial statements have always reflected the position and costs on a gross basis including the effect of paying the international fuel price, on rejection of the court case the prepayment has been removed and the disclosure is no longer shown in the financial statements.

Concession Agreement court case

On 30 October 2012, the Administrative Court in Egypt handed down a judgement in relation to a claim brought by, amongst others, an independent member of a previous parliament, in which he argued for the nullification of the agreement that confers on the Group rights to operate in Egypt. This agreement, the Concession Agreement, was entered into between the ARE, EMRA and Centamin's wholly owned subsidiary Pharaoh Gold Mines NL, and was approved by the People's Assembly as Law 222 of 1994.

In summary, that judgement states that, although the Concession Agreement itself remains valid and in force, insufficient evidence had been submitted to court to demonstrate that the 160km² exploitation lease between PGM and EMRA had received approval from the relevant minister as required by the terms of the Concession Agreement. Accordingly, the Court found that the exploitation lease in respect of the area of 160km² was not valid although it stated that there was in existence such a lease in respect of an area of 3km². Centamin, however, is in possession of the executed original lease documentation which clearly shows that the 160km² exploitation lease was approved by the Minister of Petroleum and Mineral Resources. It appears that an executed original document was not supplied to the court in the first instance.

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

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

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

In 2016 the Supreme Administrative Court stayed the Concession Agreement appeal until the Supreme Constitutional Court has ruled on the validity of Law no. 32 of 2014. Law no. 32 of 2014 restricts the right of third parties to challenge contractual agreements between the Egyptian government and an investor and has partial retrospective effect, applying to any cases then before the courts but in which no final judgement had been given. The validity of this law, which was ratified by the Egyptian parliament in 2016, is currently under review by the Supreme Constitutional Court ("SCC"). In 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 took the view that Law no. 32 was unconstitutional. The State Commissioner's report and complementary report are advisory and non-binding on the SCC. If Law 32 is upheld, it is expected that a decision to uphold the Company's appeal would be taken in a relatively short time frame. If Law 32 is held to be invalid, it is possible that the Egyptian Government could introduce further legislative changes either to amend or replace Law 32, in which case the stay on proceedings would remain in place until the position is clear. If the Government decides against legislative action, then the stay on proceedings would be lifted and PGM's appeal would proceed to be considered on its merits.

The Group continues to believe that it has a strong legal position and that in the event that the SCC rules that Law no. 32 is invalid, it remains confident that its appeal would be successful.

Consequently, at this stage, it is not possible to say when the appeal will conclude, although there is the potential for court process in Egypt to be lengthy. The Company has taken extensive legal advice on the merits of its appeal from several leading Egyptian law firms, who have confirmed that the proper steps were followed regarding the grant of the 160km² lease. It therefore remains of the view that the appeal is based on strong legal grounds and will ultimately be successful. In the event that the appellate court fails to be persuaded of the merits of the case put forward by the Group, the operations at

Sukari may be adversely affected 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.

Other contingent assets

There were no contingent assets at year-end (2020: nil).

5.2 Dividends per share

The dividends paid in 2021 were US$80,516,907 and are reflected in the consolidated statement of changes in equity for the year (2020: US$138,724,519).

A final dividend in respect of the year ended 31 December 2021 of 5 US cents per share, totalling approximately US$57.8 million has been proposed by the Board of Directors and is subject to shareholder approval at the annual general meeting on 10 May 2022. These financial statements do not reflect the dividend payable.

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

5.3 Subsequent events

As referred to in note 5.2, subsequent to the year end, the Board proposed a final dividend for 2021 of 5 US cents per share. Subject to shareholder approval at the annual general meeting on 10 May 2022, the final dividend will be paid on 03 June 2022 to shareholders on record date of 20 May 2022.

As referred to in note 1.3.5, the Group Mineral Reserve and Resource statement for SGM has been published with an effective date of 30 June 2021. The changes from the previous statement published with an effective date of 31 December 2020 will have a prospective effect on the amortisation of the rehabilitation asset and mine development properties. Please refer to the Mineral Reserve and Resource statement impact on ore reserves note 3.1.1 (h) where these sensitivities to the change have been disclosed.

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

6. Other information

6.1 Related party transactions

(a) Equity interests in related parties

Equity interests in subsidiaries

Details of the percentage of ordinary shares held in subsidiaries are disclosed in note 4.1.

Equity interest in associates and jointly controlled arrangements

Details of interests in joint ventures are disclosed in note 4.2.

(b) Key management personnel compensation

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

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

	For the year ended 31 December 2021 US$	For the year ended 31 December 2020 US$
Short-term employee benefits	7,370,964	**7,627,053**
Post-employment benefits	7,852	**7,292**
Share-based payments	1,500,304	**1,564,277**
	8,879,120	**9,198,622**

(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 year ended 31 December 2021 are as follows:

For the year ended 31 December 2021	Balance at 1 January 2021	Granted as remuneration ("DBSP")	Granted as remuneration ("PSP")	Net other change – share plan lapse[1]	Net other change[2]	Balance at 31 December 2021[3]
M Horgan	606,405	-	650,000	-	25,000	1,281,405
R Jerrard	1,882,000	-	570,000	(408,000)	33,000	2,077,000
J Rutherford	200,000	-	-	-	50,000	250,000
S Eyre	-	-	-	-	15,000	15,000
M Bankes	190,000	-	-	-	99,000	289,000
M Cloete	15,000	-	-	-	-	15,000
C Farrow	-	-	-	-	30,000	30,000
I Fawzy	-	-	-	-	140,000	140,000
H Faul	-	-	-	-	-	-
Y El-Raghy	691,662	-	160,000	(104,000)	-	747,662
Gustav Du Toit	-	510,000	440,000	-	-	950,000
H Bills	200,000	-	300,000	-	-	500,000
P Cannon	-	-	250,000	-	-	250,000
J Singleton	746,000	-	250,000	-	-	996,000
C Murray	200,000	-	250,000	-	24,000	474,000
A Carse	539,000	-	250,000	(168,000)	25,096	646,096
D Le Masurier	437,300	-	200,000	(120,000)	-	517,300
R Nel	330,000	-	200,000	(96,000)	(32,027)	401,973

(1) "Net other change – share plan lapse" relates to awards that have lapsed due to the full performance conditions not being met on the 2018 grant.

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

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

Since 31 December 2021 to the date of this report there have been no transactions notified by the Company in accordance with the requirements of Article 19 of the UK Market Abuse Regulation (Regulation (EU) 596/2014.

The details of the movement in key management personnel equity holdings of fully paid ordinary shares in Centamin plc during the financial year ended 31 December 2020 are as follows:

For the year ended 31 December 2020	Balance at 1 January 2020	Granted as remuneration ("DBSP")	Granted as remuneration ("PSP")	Net other change – share plan lapse[1]	Net other change[2]	Balance at 31 December 2020[3]
M Horgan	-	-	590,000	-	16,405	606,405
R Jerrard	1,897,000	-	390,000	(420,000)	15,000	1,882,000
J Rutherford	-	-	-	-	200,000	200,000
S Eyre	-	-	-	-	-	-

M Bankes	190,000	-	-	-	-	190,000
M Cloete	15,000	-	-	-	-	15,000
C Farrow	-	-	-	-	-	-
I Fawzy	-	-	-	-	-	-
H Faul	-	-	-	-	-	-
Y El-Raghy	793,662	60,000	110,000	(72,000)	(200,000)	691,662
H Bills	-	-	200,000	-	-	200,000
P Cannon	-	-	-	-	-	-
J Singleton	546,000	-	200,000	-	-	746,000
C Murray	-	-	200,000	-	-	200,000
A Carse	379,000	80,000	80,000	-	-	539,000
D Le Masurier	527,000	67,500	67,500	(107,000)	(117,700)	437,300
R Nel	230,000	50,000	50,000	-	-	330,000

(1) "Net other change" relates to the on-market acquisition or disposal of fully paid ordinary shares.
(2) Includes shareholdings attributable to the El-Raghy family.
(3) Balance includes unvested grants under the Company's performance share plan.

(d) Key management personnel share option holdings

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

(e) Other transactions with key management personnel

The related party transactions for the year ended 31 December 2021 are summarised below:

- salaries, superannuation contributions, bonuses, LTIs, consulting and directors' fees paid to Directors during the year ended 31 December 2021 amounted to US$3,694,236 (31 December 2020: US$3,915,877); and

(f) Transactions with the government of Egypt

Royalty costs attributable to the government of Egypt of US$21,671,928 (2020: US$24,792,435) were incurred in 2021. Profit share to EMRA of US$75,200,000 (2020: US$174,275,000) was incurred in 2021.

(g) Transactions with other related parties

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

During the financial year, 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 year 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 year for bad or doubtful debts in respect of amounts owed by related parties.

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

6.2 Contributions to Egypt

(a) Gold sales agreement

On 20 December 2016, SGM entered 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 EGP80 million (2020: EGP80 million). In return, SGM facilitates the purchase of refined gold bullion for the CBE from SGM's refiner, Asahi Refining Canada Ltd. 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). Thirty-four transactions have been entered into at the date of this report, eight of which in the current year, pursuant to this agreement, and the values related thereto are as follows:

	For the year ended 31 December 2021 US$'000	For the year ended 31 December 2020 US$'000
Gold purchased	56,147	**29,319**
Refining costs	31	**15**
Freight costs	55	**30**
	56,233	**29,364**

	For the year ended 31 December 2021 Oz	For the year ended 31 December 2020 Oz
Gold purchased	31,219	**16,262**

At 31 December 2021 the net payable in EGP owing from the Central Bank of Egypt is approximately the equivalent of US$24,761 (2020: US$42,987 net receivable from CBE).

(b) University grant

During 2018, the Group together with Sami El-Raghy and the University of Alexandria Faculty of Science initiated a sponsored scholarship agreement, the Michael Kriewaldt Scholarships, to outstanding geology major students to enrol at the postgraduate research programme of the geology department of the University for their MSc and/or PhD in mining and mineral resources. An amount of EGP10,000,000 was deposited with an Egyptian bank as a nucleus of the scholarship fund in a fixed deposit account, with contributions of EGP7,330,000 from PGM and EGP2,670,000 from Sami El-Raghy. The interest earned on the account will be put towards the cost of the scholarships and will be administered by the University on the conditions set out in the agreement. This amount has been accounted for under donations expense in profit and loss in 2020 and in 2021 the interest earned has also been accounted for under donations expense.

6.3 Share-based payments

Performance share plan

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

The awards due to be granted in June 2021 will vest following the passing of three years. Vesting will be subject to the satisfaction of the performance conditions (and for Executive Directors a full two-year post-vesting holding period). Awards will vest based upon a blend of three-year relative TSR, cash flow and production targets, full details of which are set out in the Directors' Remuneration Report. These measures are assessed by reference to current market practice and the Remuneration Committee will have regard to current market practice when establishing the precise performance conditions for awards.

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

June 2018 awards

Of the 4,908,000 awards granted on 27 June 2018 under the PSP, 495,311 awards vested to eligible participants (27 in total).

June 2019 awards

Due to the performance conditions not being met, all remaining awards eligible to participants shall lapse.

June 2020 awards

Of the 2,582,500 awards granted on 5 June 2020 under the PSP, 2,137,500 awards remain granted to eligible participants (11 in total) applying the following performance criteria:

- 50% of the award shall be assessed by reference to a target total shareholder return;
- 25% of the award shall be assessed by reference to compound growth in adjusted free cash flow; and

- 25% of the award shall be assessed by reference to compound growth in gold production.

April 2021 awards

Of the 5,945,000 awards granted on 30 April 2021 under the PSP, 5,485,000 awards remain granted to eligible participants (32 in total) applying the following performance criteria:

- 50% of the award shall be assessed by reference to a target total shareholder return;
- 25% of the award shall be assessed by reference to compound growth in adjusted free cash flow; and
- 25% of the award shall be assessed by reference to compound growth in gold production.

Conditional share awards and options together constitute “awards” under the plan and those in receipt of awards are “award holders”.

A detailed summary of the scheme rules is set out in the 2022 AGM proxy materials which are available at www.centamin.com. In brief, awards will vest following the passing of three years from the date of the award and vesting will be subject to satisfaction of performance conditions. The above measures are assessed by reference to current market practice and the Remuneration Committee will have regard to market practice when establishing the precise performance conditions for future awards.

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

Performance share plan awards granted during the year:

Grant date	**PSP 2021** **30 April 2021**
Number of instruments	1,380,000
TSR: fair value at grant date GBP(1)(2)	0.55
TSR: fair value at grant date US$(1)(2)	0.77
Adjusted free cash flow and gold production: fair value at grant date GBP(1)(2)	0.89
Adjusted free cash flow and gold production: fair value at grant date US$(1)(2)	1.24
Vesting period (years)	3
Holding period applicable to the award (years)(2)	2
Expected volatility (%)	55.3%
Expected dividend yield (%)	0%
Number of instruments	4,565,000
TSR: fair value at grant date GBP(1)	0.67
TSR: fair value at grant date US$(1)	0.93
Adjusted free cash flow and gold production: fair value at grant date GBP(1)	1.07
Adjusted free cash flow and gold production: fair value at grant date US$(1)	1.50
Vesting period (years)	3
Holding period applicable to the award (years)	0
Expected volatility (%)	55.3%
Expected dividend yield (%)	0%

(1) The vesting of 50% of the awards granted under this plan are dependent on a TSR performance condition. As relative TSR is defined as a market condition under IFRS 2 ‘Share-based payments’, this requires that the valuation model used considers the anticipated performance outcome. We have therefore applied a Monte-Carlo simulation model. The simulation model considers the probability of performance based on the expected volatility of Centamin and the peer group companies and the expected correlation of returns between the companies in the comparator group. The remaining 50% of the awards are subject to adjusted free cash flow and gold production performance conditions. As these are classified as non-market conditions under IFRS 2 they do not need to be considered when determining the fair value. These grants have been valued using a Black-Scholes model. The fair value calculated was then converted at the closing GBP:US$ foreign exchange rate on that day.

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

Deferred bonus share plan ("DBSP")

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

The 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.

DBSP awards granted during the year:

Grant date	DBSP 2021 30 April 2021
Number of instruments	1,977,000
Share price/fair value at grant date Tranche 1 £(1)	1.01
Share price/fair value at grant date Tranche 1 US$(1)	1.41
Share price/fair value at grant date Tranche 2 £(1)	0.98
Share price/fair value at grant date Tranche 2 US$(1)	1.36
Share price/fair value at grant date Tranche 3 £(1)	0.94
Share price/fair value at grant date Tranche 3 US$(1)	1.32
Vesting period Tranche 1 (years)(2)	1
Vesting period Tranche 2 (years)(2)	2
Vesting period Tranche 3 (years)(2)	3
Expected dividend yield Tranche 1 (%)	5.77%
Expected dividend yield Tranche 2 (%)	4.65%
Expected dividend yield Tranche 3 (%)	4.26%

(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 considered in determining the fair value of the shares awarded under the DBSP.
(2) Variable vesting dependent on one to three years of continuous employment.

ACCOUNTING POLICY: SHARE-BASED PAYMENTS

Equity settled share-based payments with employees and others providing similar services are measured at the fair value of the equity instrument at grant date. Fair value is measured using the Black-Scholes model. Where share-based payments are subject to market conditions, fair value was measured using a Monte-Carlo simulation. A discount for lack of marketability has been applied to account for the decrease in value of the award by reason of the two-year holding period restriction. The fair value determined at the grant date of the equity settled share-based payments is expensed over the vesting period, based on the consolidated entity's estimate of shares that will eventually vest.

Share-based payments

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

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability and remaining an employee of the entity over a specified 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).

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. Further details on how the fair value of equity settled share-based transactions has been determined can be found above. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with corresponding adjustment to the equity settled employee benefits reserve.

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

	For the year ended 31 December 2021 US cents per share	For the year ended 31 December 2020 US cents per share
Basic earnings per share	8.811	**13.531**
Diluted earnings per share	8.738	**13.453**

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

	For the year ended 31 December 2021 US$'000	For the year ended 31 December 2020 US$'000
Earnings used in the calculation of basic EPS	101,527	**155,979**
	For the year ended 31 December 2021 Number of shares	**For the year ended 31 December 2020 Number of shares**
Weighted average number of ordinary shares for the purpose of basic EPS	1,152,246,924	1,152,715,180

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

	For the year ended 31 December 2021 US$'000	For the year ended 31 December 2020 US$'000
Earnings used in the calculation of diluted EPS	101,527	155,979
	For the year ended 31 December 2021 Number of shares	**For the year ended 31 December 2020 Number of shares**
Weighted average number of ordinary shares for the purpose of basic EPS	1,152,246,924	1,152,715,180
Shares deemed to be issued for no consideration in respect of employee options	9,717,092	6,703,214
Weighted average number of ordinary shares used in the calculation of diluted EPS	1,161,964,016	1,159,418,394

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

6.5 Auditors' remuneration

The analysis of the auditors' remuneration is as follows:

	For the year	For the year

	ended 31 December 2021 US$'000	ended 31 December 2020 US$'000
Fees payable to the Company's auditors and their associates for the audit of the Company's annual financial statements		
Audit fee for the current year audit (1)	586	**564**
Non-recurring audit fee in relation to scope changes (2)	-	**151**
Fees payable to the Company's auditors and their associates for other services to the Group		
Audit fee of the Company's subsidiaries	132	**65**
Total audit fees	718	**780**
Non-audit fees:		
Audit related assurance services – interim review	138	**134**
Total non-audit fees	138	**134**

(1) 2021 fee includes amounts in relation to the base audit fee US$566k (2020: US$437k), new applicable regulatory and auditing standards US$ nil (2020: US$40k), changes in scope and timetable of the audit US$ nil (2020: US$48k) and corporate reporting review US$20k (2020: US$18k) and COVID-19 going concern assessments US$ nil (2020: US$21k).

(2) Non-recurring audit fees relate to the prior year audit addressing going concern assessments US$51k, impairment assessments US$51k and changes in scope and timetable of the audit as a result of Covid-19 US$73k.

All audit fees are billed in GBP and were translated at a foreign exchange rate on 31 December 2021 of US$1.35:GB£1 (rate on 31 December 2020: US$1.37:GB£1). Not included within the above amounts are auditors' expenses (recharged to the company) of US$10k (2020: US$9k).

The Audit and Risk Committee and the external auditors have safeguards in place to avoid the possibility that the auditors' objectivity and independence could be compromised. These safeguards include the implementation of a policy on the use of the external auditors for non-audit related services.

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

6.6 General information

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

Registered office and principal place of business:

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

The nature of the Group's operations and its principal activities are set out in the Governance Report and the Strategic Report of the Annual Report.

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