

PERTH, AUSTRALIA--(Marketwired - Feb 1, 2017) - [Centamin Plc](#) ("Centamin" or "the Company") (LSE: CEY) (TSX: CEE) -- Josef El-Raghy, Chairman of Centamin, commented: "During 2016 Centamin's flagship Sukari Gold Mine continued to deliver substantial free cash flows, driven by a seventh successive year of production growth and through reductions in operating costs. This performance has allowed Centamin to maintain its strategic focus on generating shareholder returns and value-accretive growth. A significant milestone was achieved during the year, as the capital investment in the Sukari operation by Centamin's wholly-owned subsidiary Pharaoh Gold Mines ("PGM") was recovered from cash flows to the extent that profit share commenced with the Egyptian Government during the third quarter. Centamin ended the year with US\$428 million in cash, bullion on hand, gold sales receivables and available-for-sale financial assets, an increase of US\$197 million during the year. I am pleased to announce that a final dividend for 2016 of 13.5 US cents per share has been proposed, representing a full year pay-out of US\$178 million, equivalent to approximately 70% of our net free cash flow in 2016. This follows the update to our dividend policy announced on 9 January 2017 to pay out at least 30% of our net free cash flow. This policy and the proposed full year payment for 2016 reflects our commitment to maintain strong fiscal discipline in managing our existing portfolio of assets, and to return to shareholders any cash reserves above those required to sustain Centamin's value-driven growth strategy."

#### Operational Highlights<sup>(1),(2)</sup>

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

#### Financial Highlights<sup>(1),(2)</sup>

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

#### Legal Developments in Egypt

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

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

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

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

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

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

UK Toll Free: 0800 358 6377

International Toll number: +44 (0)330 336 9411

Participant code: 7525185

Webcast link: <http://vm.buchanan.uk.com/2017/centamin010217/registration.htm>

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

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## Chairman's statement

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

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

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

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

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

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

We expect the strong levels of productivity to be maintained in 2017, with forecast production of 540,000 ounces at a cash cost

of production of US\$580 per ounce and an all-in sustaining cost of US\$790 per ounce. Ongoing optimisation of the Sukari operation, in particular within the processing and underground mining functions, continues to offer scope for further production growth and reductions in cash costs and AISC.

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

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

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

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

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

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

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

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

Josef El-Raghy  
Chairman

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## Final Dividend

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

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

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

PAY DATE: 31 March 2017

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

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

As a Jersey incorporated company, there is no requirement for [Centamin Plc](#) to make any withholding or deduction on account of Jersey tax in respect of the dividend.

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

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

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

Please follow link to view the full announcement:

[http://www.rns-pdf.londonstockexchange.com/rns/6589V\\_-2017-1-31.pdf](http://www.rns-pdf.londonstockexchange.com/rns/6589V_-2017-1-31.pdf)

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## Contact

Contact:  
RNS Customer Services  
0044-207797-4400  
[rns@londonstockexchange.com](mailto:rns@londonstockexchange.com)  
<http://www.rns.com>