

**Centamin West Africa Holdings Limited**

a limited company registered in England and Wales  
with Registered Company Number 8816954  
**(Centamin West Africa)**

a wholly owned subsidiary of

**Centamin plc**

a public company registered in Jersey  
with Registered Company Number 109180  
**(Centamin)**

to acquire all of your ordinary shares in

**Ampella Mining Limited**

ABN 59 121 152 001  
**(Ampella)**

**An offer of 1 Centamin Share for every  
5 Ampella Shares that you hold**

**The Offer is unanimously recommended  
by Ampella's directors in the absence of  
a Superior Proposal**

# BIDDER'S STATEMENT

This is an important document that requires your immediate attention.  
If you are in any doubt as to how to deal with this document, you should  
consult your financial or other professional adviser as soon as possible.

# Contents

1	Important Information	3
2	Chairman's Letter	8
3	Investment overview	10
4	Summary of the Offer and How to Accept	19
5	Reasons to accept the Offer	22
6	Risk factors	24
7	Centamin and Centamin West Africa	30
8	Centamin's Projects and Interests	37
9	Centamin Financial Information	48
10	Centamin Management Discussion and Analysis	53
11	Ampella	65
12	Centamin's Intentions for Ampella	68
13	Securities in Ampella	70
14	Information on Centamin Shares	72
15	Dealings in Ampella Securities	81
16	Taxation considerations	82
17	Terms of the Offer	87
18	Other material information	99
19	Definitions and Interpretation	108
20	Approval of Bidder's Statement	115
	Annexure A – Trading Your Consideration Shares	116
	Annexure B – Comparison of relevant companies and securities laws and listing rules applying to Centamin in the UK, Canada and Jersey	118
	Annexure C – Investigating Accountant's Report	128
	Annexure D – Announcements in relation to the Offer	131
	Annexure E – Ampella Announcements since 31 December 2012	135
	Annexure F – Tenements and Applications	137
	Annexure G – Unaudited Interim Consolidated Financial Statements for the Quarter and Nine Months Ended 30 September 2013	141



## Corporate Directory

### **CENTAMIN WEST AFRICA HOLDINGS LIMITED**

Hill House  
1 Little New Street  
London EC4 3TR  
United Kingdom

### **DIRECTORS OF CENTAMIN WEST AFRICA HOLDINGS LIMITED**

Josef El-Raghy (Chairman and Chief Executive Officer)  
Johannes (Pierre) Louw (Chief Financial Officer) (known as Pierre Louw throughout this Bidder's Statement)

### **COMPANY SECRETARY OF CENTAMIN WEST AFRICA HOLDINGS LIMITED**

Darren Le Masurier

### **CENTAMIN PLC**

2 Mulcaster Street  
St. Helier JE2 3NJ  
Jersey

### **DIRECTORS OF CENTAMIN PLC**

Josef El-Raghy (Chairman and Chief Executive Officer)  
Trevor Schultz (Executive Director)  
Gordon Edward Haslam (Senior Independent Non-Executive Director)  
Mark Arnesen (Independent Non-Executive Director)  
Mark Banks (Independent Non-Executive Director)  
Professor G. Robert Bowker (Independent Non-Executive Director)  
Kevin Tomlinson (Independent Non-Executive Director)

### **COMPANY SECRETARY OF CENTAMIN PLC**

Darren Le Masurier

### **AUDITORS OF CENTAMIN GROUP**

Deloitte  
2 New Street Square  
London EC4A 3BZ  
United Kingdom

### **INVESTIGATING ACCOUNTANT**

Deloitte Touche Tohmatsu  
Level 14, Woodside Plaza  
240 St Georges Terrace  
Perth, Western Australia  
6000  
Australia

### **LEGAL ADVISER IN RELATION TO THE OFFER**

Norton Rose Fulbright Australia  
Level 18  
Grosvenor Place  
225 George Street  
Sydney, New South Wales  
2000  
Australia

### **OFFER REGISTRY**

Computershare Investor Services Pty Limited  
GPO Box 52  
Melbourne, Victoria  
3001  
Australia



# 1 Important Information

## 1.1 Important Dates

Date of announcement of Takeover Bid	10 December 2013
Date of Bidder's Statement and lodgement with ASIC	7 January 2014
Opening date of Offer	13 January 2014
Closing date of Offer (unless extended)	7:00pm Sydney time on 13 February 2014

## 1.2 Important Contacts

### Offer Registry

Computershare Investor Services Pty Limited  
GPO Box 52  
Melbourne, Victoria 3001  
Australia

## 1.3 Role of ASIC

This Bidder's Statement is dated 7 January 2014 and is given by Centamin West Africa (a wholly owned subsidiary of Centamin) to Ampella under Part 6.5 of the Corporations Act. It was lodged with ASIC on the same date. ASIC takes no responsibility for the content of this Bidder's Statement.

## 1.4 Investment Decisions

This Bidder's Statement does not take into account your individual investment objectives, financial situation or particular needs. You may wish to obtain professional financial and taxation advice before deciding whether or not to accept the Offer.

If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.

It should be remembered that the price of securities and the income from them can go down as well as up.

## 1.5 London and Toronto Stock Exchanges

An announcement will be released by Centamin to the LSE and the TSX via the Regulatory News Service when this Bidder's Statement is lodged with ASIC, and it is expected that a copy of this Bidder's Statement will be posted to Ampella Shareholders on or about 13 January 2014, and will be available on Centamin's website ([www.centamin.com](http://www.centamin.com)). None of the FCA, the LSE, the TSX nor any regulatory information service shall assume any responsibility for the correctness of any of the statements made, reports contained/referred to, or opinions expressed in this Bidder's Statement. Neither the TSX nor any other securities regulatory authority in Canada has approved or disapproved the contents of this Bidder's Statement. Following the date of this Bidder's Statement, Centamin will make an application to the FCA for all of the Consideration Shares to be admitted to the premium listing segment of the Official List of the FCA and to the LSE for such Consideration Shares to be admitted to trading on the LSE's main market for listed securities. An application has been made to list the Consideration Shares on TSX. Listing on the TSX is subject to Centamin fulfilling all of the listing requirements of the TSX. If granted, the approval of the FCA / LSE / TSX for the quotation of the Consideration Shares is not to be taken as an indication of the merits of the Offer, Centamin or its Subsidiaries (including Centamin West Africa) or the Consideration Shares.

## 1.6 Jersey Registrar Consent

A copy of this document has been delivered to the registrar of companies in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002, and the registrar has given, and has not withdrawn, consent to its circulation.

The Jersey Financial Services Commission has given, and has not withdrawn, its consent under Article 2 of the Control of Borrowing (Jersey) Order 1958 to the issue of securities in Centamin.

It must be distinctly understood that, in giving these consents, neither the registrar of companies nor the Jersey Financial Services Commission takes any responsibility for the financial soundness of Centamin or for the correctness of any statements made, or opinions expressed in this Bidder's Statement.

## 1.7 Responsibility for Information in this Bidder's Statement

Centamin West Africa is responsible for the contents of the Bidder's Statement other than, to the maximum extent permitted by law, the Investigating Accountant's Report (please see Annexure C for further details) and the information relating to Ampella (please see Section 11).

The information set out in this Bidder's Statement in relation to Ampella has been prepared by Centamin and Centamin West Africa using material disclosed to them by Ampella during due diligence investigations and publicly available information, which has not been independently verified. Accordingly, Centamin and Centamin West Africa do not, subject to the Corporations Act, make any representations or warranties, express or implied, as to the accuracy or completeness of such information.

To the extent that it incorporates or reflects information on Ampella, the information on the merged Centamin and Ampella group in this Bidder's Statement has been prepared by Centamin and Centamin West Africa using publicly available information and material disclosed to them by Ampella during due diligence investigations. Accordingly, information on the merged Centamin and Ampella group is subject to the foregoing disclaimer to that extent.

Further information relating to Ampella's business is included in the Target's Statement.

The Centamin West Africa Directors have taken all reasonable care to ensure that the facts stated in this Bidder's Statement are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in this Bidder's Statement, whether of facts or of opinion. All the Centamin West Africa Directors accept responsibility accordingly.

## 1.8 Historical Financial Information

The historical financial information in Section 10 and Annexure G of this Bidder's Statement has been prepared and presented in accordance with IAS 34 "Interim Financial Reporting" ("IAS 34") and the requirements of the Disclosure and Transparency Rules ("DTR") of the FCA in the United Kingdom as applicable to interim financial reporting.

The unaudited interim condensed consolidated financial statements in Section 10 represent a 'condensed set of financial statements' as referred to in the DTR issued by the FCA. Accordingly, they do not include all of the information required for a full annual financial report and are to be read in conjunction with the Centamin Group's financial statements for the year ended 31 December 2012, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The financial information contained in this Bidder's Statement does not constitute statutory accounts under the Jersey Companies Law, as amended. The financial information for the year ended 31 December 2012 is based on the statutory accounts for the year ended 31 December 2012. The auditors reported on those accounts: their report was unqualified; however it included an emphasis of matter in regards to the significant uncertainty relating to the outcome of the Sukari exploitation lease judgement. Readers are referred to the auditor's report to the Centamin Group financial statements as at 31 December 2012 (available at [www.centamin.com](http://www.centamin.com)).

The accounting policies applied in the interim financial statements in Section 10 and Annexure G are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2012. There have been no changes from the accounting policies applied in the 31 December 2012 financial statements.

The preparation of these interim condensed consolidated financial statements requires the use of certain significant accounting estimates and judgment by management in applying the Centamin Group's accounting policies. There have been no changes to the areas involving significant judgment and estimates that have been set out in Note 4 of the Centamin Group's annual audited consolidated financial statements for the year ended 31 December 2012.

## 1.9 Resource and Reserve Information

The Resource and Reserve estimates included in this Bidder's Statement are matters of judgement and may not prove to be an accurate indication of the quality or quantity of gold which Centamin has identified or may be able to extract. Please refer to Section 6 for further information on this and other risks associated with an investment in Centamin. All references to Resources and Reserves should be read in conjunction with the Updated Resource and Reserve Statement released by Centamin on LSE and on TSX on 18 December 2013.

Information of a scientific or technical nature in relation to Centamin and the Sukari gold mine in this Bidder's Statement was prepared under the supervision of Andrew Pardey, BSc. Geology, Chief Operating Officer of Centamin and a qualified person under the Canadian National Instrument 43-101. The information of a scientific or technical nature in this Bidder's Statement in relation to the Sukari gold mine:

- (1) open pit Mineral Resource was prepared by Nic Johnson of MPR Geological Consultants Pty Ltd, Australia;
- (2) open pit Mineral Reserve was prepared by Patrick Smith of AMC Consultants Pty Ltd, Australia; and
- (3) underground Mineral Resource and Reserve was prepared by Chris Boreham, Underground Mine Manager of Centamin and audited by Declan Franzmann of Crosscut Consulting, Australia.

Centamin will file a NI 43-101 technical statement supporting the Mineral Reserves and Resources referred to in this Bidder's Statement and as announced to the LSE and TSX on 18 December 2013 on SEDAR at [www.sedar.com](http://www.sedar.com) and on Centamin's website at [www.centamin.com](http://www.centamin.com) in accordance with Canadian regulatory requirements.

Information of a scientific or technical nature in this Bidder's Statement in respect of Ampella has been extracted without material adjustment from information which Ampella has publicly stated has been verified by and prepared under the supervision of Don Maclean, MSc (Hons) Geol, MAIG R.P. Geo (Mineral Exploration and Mining) MSEG, a consultant from Ravensgate Mineral Industry Consultants, who has the appropriate relevant qualifications and experience to be considered a Competent Person as defined in the JORC Code. See Ampella's ASX release dated 5 March 2013 for detailed information relating to the Konkera Resource, including all material assumptions and technical parameters underpinning such resource estimates.

All the above persons are qualified as Competent Persons as defined in the JORC Code.

Wherever the term "Mineral Reserve" is used in this Bidder's Statement, or any document incorporated by reference into this Bidder's Statement, this term is being used with the same meaning as "Ore Reserves" as defined in the JORC Code.

#### 1.10 Forward Looking Statements

This Bidder's Statement contains forward looking statements which are not based solely on historical facts but are based on current expectations about future events and results. These forward looking statements are subject to inherent risks and uncertainties. Such risks and uncertainties include factors and risks specific to the industries in which the Centamin Group and Ampella operate, as well as general economic conditions, prevailing exchange rates and interest rates, conditions in financial markets, government policies and regulation, competitive pressures and changes in technology. Actual events or results may differ materially from the expectations expressed or implied in such forward looking statements.

None of Centamin West Africa, Centamin or their directors, officers, employees or advisers makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfillment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law.

Centamin West Africa has no intention to update or revise forward looking statements or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Bidder's Statement, except to the extent required by law.

Accordingly, you are cautioned about relying on forward looking statements contained in this Bidder's Statement.

#### 1.11 Foreign Shareholders

The distribution of this Bidder's Statement in jurisdictions outside Australia and Canada may be restricted by law and persons who come into possession of this Bidder's Statement should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Bidder's Statement does not constitute an Offer to acquire Ampella Shares from any Ampella Shareholder in any jurisdiction in which to do so would be illegal. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is permitted by applicable foreign laws.

In particular, Centamin Shares are not, and the Consideration Shares will not, be registered under the US Securities Act or the securities law of any state of the United States and may not be offered or sold in the United States unless those Centamin Shares (or Consideration Shares, as applicable) are registered under the US Securities Act, or an exemption from the registration requirements of the US Securities Act and applicable US state securities laws is available.

This document does not constitute, and neither Centamin nor Centamin West Africa are making, an offer of transferable securities to the public within the meaning of sections 85 and 102B of the UK Financial Services and Markets Act or otherwise. This document is not an approved prospectus for the purposes of and as defined in section 85 of the UK Financial Services and Markets Act and it has not been prepared in accordance with the Prospectus Rules made by the FCA nor has it been approved by the FCA and a copy has not been delivered to the FCA under the Prospectus Rules.

This Bidder's Statement has been prepared having regard to Australian disclosure requirements. These disclosure requirements may be different from those in other countries. If you are not an Australian resident taxpayer or are liable for tax outside Australia, it is important that you seek specific tax advice in relation to the Australian and overseas tax consequences of the Offer.

Refer to Section 17.12 for information about the issue of Consideration Shares to foreign persons.

#### **1.12 Photographs and Diagrams**

Maps, photographs and diagrams used in this Bidder's Statement that do not have descriptions are illustrative only and should not be interpreted to mean that any person shown in them endorses this Bidder's Statement or its contents or that the assets shown in them are owned by Centamin. Diagrams used in this Bidder's Statement are illustrative only and may not be drawn to scale. Unless otherwise stated, all data in graphs, tables and diagrams is based on information available at the date of this Bidder's Statement.

#### **1.13 Currency**

Unless otherwise stated, the exchange rates used in this Bidder's Statement are the exchange rates published by the Reserve Bank of Australia at 4pm (Sydney time) on the last practicable date before the date of the Bidder's Statement, being 2 January 2014 and being A\$1:GBP0.537 and A\$1:USD0.891. The financial amounts in this Bidder's Statement are expressed in Australian dollars unless stated otherwise.

#### **1.14 Effect of Rounding**

A number of figures, amounts, percentages or estimates and calculations of value in the Bidder's Statement may be subject to the effect of rounding.

#### **1.15 Privacy**

If you accept the Offer you will provide personal information to Centamin, the Offer Registry and the Share Registry. This enables your Acceptance Form to be processed, you to be registered as the holder of Centamin Shares (if the Offer is declared unconditional), to enter you in the Register of Centamin Shareholders and to enable Centamin to contact you. Centamin may from time to time be required to disclose your personal information to regulators, such as ASIC, the FCA and the Jersey Financial Services Commission, securities exchanges such as the LSE and TSX and the applicable Canadian securities regulators, where necessary for the purposes of the Offer or as required by law. Centamin, the Offer Registry and the Share Registry may disclose your personal information to their agents and service providers as authorised by the *Privacy Act 1988* (Cth) or for purposes required by the Listing Rules of the FCA, the FCA, the Listing Rules of the TSX, Jersey Companies Law or applicable Canadian law. You may access your personal information by contacting the Offer Registry or the Share Registry and may request corrections to such personal information.

#### **1.16 Risks**

It is important that you read this Bidder's Statement carefully and in full before deciding whether to accept the Offer. In particular, in considering the prospects of Centamin, you should consider the risk factors that could affect the financial performance of Centamin. You should carefully consider these factors in light of your investment objectives, financial situation and particular needs (including financial and taxation issues) and seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to accept the Offer. Some of the risk factors that should be considered by prospective investors are set out in Section 6. There may be risk factors in addition to these that should be considered in light of your personal circumstances.



#### **1.17 Guarantees and Representations**

No person named in this Bidder's Statement, including Centamin and Centamin West Africa, nor any other person, guarantees the performance of Centamin, the repayment of capital by Centamin or the payment of a return on the Consideration Shares.

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Bidder's Statement. Any information or representation not so contained may not be relied on as having been authorised by Centamin, the Centamin Directors, Centamin West Africa or the Centamin West Africa Directors.

#### **1.18 Glossary**

Please refer to the glossary in Section 19 for terms and abbreviations used in this Bidder's Statement.

For personal use only



## 2 Chairman's Letter

A MESSAGE FROM THE CHAIRMAN OF CENTAMIN AND CENTAMIN WEST AFRICA



# CENTAMIN

Dear Ampella Shareholder,

### Offer for Your Ampella Shares

Centamin West Africa Holdings Limited, a wholly owned subsidiary of Centamin plc, is offering 1 Centamin Share for every 5 Ampella Shares that you own, and I would like to outline here the reasons why we believe you should accept this Offer.

- Centamin is an emerging mid-tier company listed on the LSE and TSX, with gold production of 356,943 ounces in 2013 set to rise to 450-500,000 ounces from 2015.
- Our principal asset, the Sukari gold mine in Egypt, has a c.20 year mine life, supported by a significant 8.2 million ounce Reserve<sup>1</sup>.
- On-going exploration drilling, in particular from the high-grade underground mine regions at Sukari, offers further significant Reserve and production growth potential.
- Centamin has expertise across the exploration, construction and operational phases and has a track record of delivering against its production and growth targets.
- Centamin's strong balance sheet, zero debt position and significant cash flows make it ideally placed to finance further advanced exploration growth projects such as Ampella's Batie West project.
- Ampella Shareholders will benefit from Centamin's profitable, robust and growing gold production, whilst retaining exposure to the exploration upside at Batie West.

Centamin is highly focussed on the continued development and growth of the business whilst maintaining strong shareholder returns. It is our belief that Ampella's assets, combined with Centamin's financial and technical strength, provide this opportunity. Centamin intends to realise the potential for further significant resource expansion through a focussed exploration programme at Batie West, with the ultimate aim of delivering further production growth via the development of an economically robust operation.

This Offer represents an attractive premium for your Ampella Shares. Based on Centamin's closing share price of 45.26 pence on the LSE on 2 January 2014 (being the latest practicable date prior to the date of the Bidder's Statement) and an exchange rate of GBP1 = A\$1.86, the offer values Ampella at A\$42.8 million or A\$0.168 per share; representing a 124% premium to Ampella's closing price on ASX on 6 December 2013 (being the last day Ampella Shares traded prior to the announcement of the Offer) of A\$0.075 and an 86% premium to the 20 day volume weighted average price on the ASX, as at 6 December 2013.

The Offer also provides Ampella Shareholders with an opportunity to gain exposure to a substantially larger listed company, with a market capitalisation in excess of A\$928 million (as at 2 January 2014) and an annual turnover of US\$426 million in 2012 and US\$393 million in the 9 months to 30 September 2013.

There are also some potential risks associated with the Offer and becoming a Centamin Shareholder.

A summary of these risks is set out in Section 6 of this Bidder's Statement.

<sup>1</sup> Centamin holds a 50% interest in the Sukari gold mine through its wholly owned subsidiary Pharaoh Gold Mines NL, further details of which are contained in this Bidder's Statement.

The Ampella Board has unanimously recommended the Offer to Ampella Shareholders and each Ampella Director (at 10 December 2013) has indicated their intention to accept the Offer for their own Ampella Shares, in the absence of a Superior Proposal.

The Centamin Board believes that this Offer presents a compelling opportunity for Ampella Shareholders to retain an interest in Ampella's projects and obtain an interest in Centamin's producing asset in Egypt and exploration projects in Ethiopia.

**I encourage you to carefully read this Bidder's Statement and to accept the Offer without delay. Our Offer is open for acceptance until 7:00pm (Sydney time) on 13 February 2014 (unless extended).**

We look forward to receiving your acceptance and welcoming you as a shareholder in Centamin.

Yours sincerely,



**Josef El-Raghy**  
Chairman  
Centamin plc  
Centamin West Africa Holdings Limited

## 3 Investment overview

### 3.1 Summary of the Offer

Question	Response	More information
<b>What is the Offer?</b>	Centamin West Africa, a wholly owned subsidiary of Centamin, is offering to acquire your Ampella Shares, on the terms and subject to the conditions of the Offer.	See Section 17 for details of the Offer.
<b>What consideration will I receive if I accept the Offer?</b>	If you accept the Offer and it is declared unconditional, you will be issued 1 Centamin Share for every 5 Ampella Shares you own.	See Section 17.2 for details of the consideration.
<b>Who is Centamin and what does it do?</b>	Centamin is the ultimate holding company for the Centamin Group which has been actively exploring in Egypt since 1995. Centamin's principal asset is its interest in the large scale, low cost Sukari gold mine, located in the Eastern Desert of Egypt.	See Section 7 for details regarding Centamin. See Section 7.4 for a structure chart of the Centamin Group.
<b>What if I am an Ineligible Foreign Shareholder?</b>	If you are a person whose address as shown in the register of members of Ampella is in a jurisdiction other than Australia, its external territories or Canada and the law of that jurisdiction makes it, in the reasonable opinion of Centamin West Africa, unlawful or too onerous for Centamin West Africa to make the Offer to you and to procure that Centamin issue you with Consideration Shares then you will be taken to be an <b>"Ineligible Foreign Shareholder"</b> . If you are an Ineligible Foreign Shareholder and accept the Offer, you will not receive any Consideration Shares. Instead, you will be paid the net proceeds of the sale (in Australian dollars) by the Sale Facility Agent of the Consideration Shares you would have otherwise been entitled to receive under the Offer.	See Section 17.12 for details regarding Ineligible Foreign Shareholders.
<b>What if I am a Small Shareholder?</b>	If you are a Small Shareholder and accept the Offer, you will not receive any Consideration Shares. Instead, you will be paid the net proceeds of the sale (in Australian dollars) by the Sale Facility Agent of the Consideration Shares you would have otherwise been entitled to receive under the Offer.	See Section 17.13 for details regarding Small Shareholders
<b>What is the value of the Offer?</b>	<p>If you accept the Offer, the value of the consideration you will receive under the Offer will depend on the price of Centamin Shares at the time the Consideration Shares are allotted and issued to you under the Offer.</p> <p>For example, based on the exchange rate of GBP1:A\$1.86 and using a closing price of GBP0.4526 of Centamin Shares traded on the LSE on 2 January 2014, which is the latest practicable date before the date of this Bidder's Statement, this results in an implied value under the Offer of A\$0.168 per Ampella Share. However, the implied value of the Offer may change as a result of changes in the market price of Centamin Shares and fluctuations in the Australian dollar and GBP exchange rates.</p> <p>If you are an Ineligible Foreign Shareholder or a Small Shareholder, the amount of cash you are paid for your Consideration Shares will depend on the price received for the Consideration Shares when they are sold by the Sale Facility Agent and the prevailing</p>	

Question	Response	More information
	currency exchange rate. There is no certainty as to what that price and exchange rate may be and this will affect the amount that you will be paid.	
<b>Why should I accept the Offer?</b>	<p>The Offer represents an attractive value for your Ampella Shares.</p> <p>The Offer represents a value enhancing opportunity for Ampella Shareholders to become part of a significant gold production company.</p> <p>Centamin's technical expertise, track-record in transforming exploration assets into commercial production and financial strength, present a compelling opportunity for Ampella Shareholders to extract value from Ampella's advanced exploration assets in Burkina Faso.</p> <p>The Ampella Directors have indicated that they unanimously recommend acceptance of the Offer in the absence of a Superior Proposal.</p>	See Section 5 for more information about why you should accept the Offer.
<b>Is the Offer subject to conditions?</b>	Yes. Similar to other off-market takeover bids, this Offer is subject to a number of conditions, the key condition being minimum acceptance by Ampella Shareholders which gives Centamin a Relevant Interest in Ampella Shares of at least 90%, there being no regulatory intervention and there being no Material Adverse Change to Ampella.	See Section 17.7 for more details of these and the other Conditions.
<b>What happens if the Conditions of the Offer are not satisfied or waived?</b>	If the Conditions of the Offer are not satisfied or waived by the Closing Date, the Offer will lapse.	See Section 17.9.

### 3.2 Overview of Centamin

Question	Response	More information
<b>Who is making the Offer?</b>	Centamin West Africa is the company making the Offer. Centamin West Africa is a wholly owned subsidiary of Centamin. Although the Offer is being made by Centamin West Africa, Centamin and Centamin West Africa have agreed that Centamin will issue the Consideration Shares to Ampella Shareholders.	See Section 7 for further details about Centamin West Africa and Centamin.
<b>Who is Centamin?</b>	<p>Centamin is a company incorporated in Jersey and whose shares are listed and quoted for trading on the LSE and TSX (Bloomberg code and LSE Ticker: CEY; TSX Ticker: CEE). On the latest practicable date before the date of this Bidder's Statement (being 2 January 2014), Centamin had a market capitalisation of approximately A\$928 million.</p> <p>Centamin's core business is gold exploration and mining and its assets include gold mining tenements and interests held by its subsidiaries and associated companies ranging from gold mines in full production to developments and explorations in concessions. The Centamin Group has gold mining interests in Egypt and Ethiopia.</p>	See Section 7 (for a general outline of Centamin and its business), Section 8 (for more information about Centamin's gold mining projects and interests), Section 9 (for details about Centamin's financial position), Section 10 (for Centamin Management Discussion and Analysis in respect of the previous nine months) and Section 18 (for additional information about Centamin).

Question	Response	More information
<b>What are Centamin's and Centamin West Africa's intentions for Ampella?</b>	<p>It is the present intention of Centamin and Centamin West Africa that, subject to the Offer becoming unconditional and Centamin West Africa acquiring a controlling interest of Ampella:</p> <ul style="list-style-type: none"> <li>to undertake a review of Ampella's operations in Burkina Faso and Cote d'Ivoire. In Burkina Faso, Centamin and Centamin West Africa intend to continue the active development of Ampella's portfolio of advanced and early stage exploration assets. In Cote d'Ivoire, Centamin and Centamin West Africa will determine whether to advance funding for the development of these assets after the review;</li> <li>to undertake a review of the requirements for maintaining Ampella's presence in Australia, including its head office and local employee functions. Such a review is likely to result in the closure of the Perth head office and the redundancy or redeployment of its workforce elsewhere within the Centamin Group;</li> <li>to replace all of the Ampella Directors with Centamin Group nominees; and</li> <li>if Centamin West Africa obtains control of Ampella but is not entitled to compulsorily acquire the outstanding Ampella Shares, Centamin's and Centamin West Africa's intentions for Ampella would include implementing the intentions outlined above, which are consistent with Centamin West Africa obtaining control of Ampella.</li> </ul>	See Section 12 for more information about Centamin West Africa's intentions for Ampella.
<b>Who are the Centamin West Africa Directors?</b>	<ul style="list-style-type: none"> <li>Josef El-Raghy (Chairman and Chief Executive Officer); and</li> <li>Pierre Louw (Chief Financial Officer).</li> </ul>	See Section 7.5 for further details about Josef El-Raghy and Section 7.6 for further details about Pierre Louw.
<b>Who are the Centamin Directors?</b>	<ul style="list-style-type: none"> <li>Josef El-Raghy (Chairman and Chief Executive Officer);</li> <li>Trevor Schultz (Executive Director of Operations);</li> <li>Gordon Edward Haslam (Senior Independent Non-Executive Director);</li> <li>Mark Arnesen (Independent Non-Executive Director);</li> <li>Mark Bankes (Independent Non-Executive Director);</li> <li>Professor G. Robert Bowker (Independent Non-Executive Director); and</li> <li>Kevin Tomlinson (Independent Non-Executive Director).</li> </ul>	See Section 7.5 for further details about each person.

Question	Response	More information
<b>Who are Centamin's key management?</b>	<ul style="list-style-type: none"> <li>• Josef El-Raghy – Chairman and Chief Executive Officer;</li> <li>• Pierre Louw – Chief Financial Officer;</li> <li>• Andrew Pardey – Chief Operating Officer;</li> <li>• Youssef El-Raghy – General Manager: Egyptian Operations;</li> <li>• Andrew Davidson – Head of Business Development and Investor Relations;</li> <li>• Lynne Gregory – General Counsel; and</li> <li>• Darren Le Masurier – Company Secretary.</li> </ul>	See Section 7.6 for further details about each person.
<b>Who are the substantial shareholders of Centamin?</b>	<p>Centamin's substantial shareholders at 2 January 2014 (being the latest practicable date prior to the date of this Bidder's Statement) include:</p> <ul style="list-style-type: none"> <li>• Josef El-Raghy - 6.49%;</li> <li>• Van Eck Associates Corporation– 6.49%;</li> <li>• Norges Bank Investment Mgt – 4.15%;</li> <li>• Franklin Templeton Investments – 3.67%;</li> <li>• ICM – 3.51%; and</li> <li>• Allan Gray – 3.27%.</li> </ul>	See Section 7.8
<b>Are there any differences between UK/Australian/Canadian/Jersey securities laws?</b>	Yes, you should be aware that the companies and securities laws in Jersey (where Centamin is incorporated) and the UK and Canada (where Centamin Shares are listed and quoted for trading) are different to Australian companies securities laws and listing rules.	See Annexure B for a comparison table of some of the key securities laws and regulations between Australia, Jersey, the UK and Canada.

### 3.3 Questions about accepting the Offer

Question	Response	More information
<b>What choices do I have?</b>	<p>You have the following choices:</p> <ul style="list-style-type: none"> <li>• accept the Offer;</li> <li>• sell your Ampella Shares (unless you have previously accepted the Offer); or</li> <li>• do nothing.</li> </ul>	
<b>How do I accept the Offer?</b>	To accept the Offer, you must correctly complete the accompanying Acceptance Form in accordance with the instructions or, if you have a CHESS Holding, provide your instructions to your Controlling Participant (normally your stockbroker) and ensure that your Acceptance Form is received by the Offer Registry by the end of the Offer Period.	See Section 17.4 for information about accepting the Offer.
<b>Where do I send the Acceptance Form?</b>	<p>The postal address for your acceptance is:</p> <p><b>Computershare Investor Services Pty Limited</b>  <b>GPO Box 52</b>  <b>MELBOURNE VIC 3001</b>  <b>AUSTRALIA</b></p> <p>Use the envelope that has been supplied with this Bidder's Statement and your personalised Acceptance Form.</p>	See the accompanying Acceptance Form.

Question	Response	More information
<b>What is the Closing Date?</b>	The Offer is scheduled to close 7:00pm (Sydney time) on 13 February 2014 unless extended or withdrawn in accordance with the Corporations Act.	
<b>What happens if I do not accept the Offer?</b>	If you do not accept the Offer and you do not sell your Ampella Shares, you will remain an Ampella Shareholder and will not receive any Consideration Shares. However, if Centamin becomes entitled to compulsorily acquire your Ampella Shares, it intends to do so. If this occurs, Ampella will receive the Consideration Shares as your trustee and you will receive the Consideration Shares at a later date than you would have received them if you had accepted the Offer. In that case, you will be required to make a claim on Ampella, as trustee of your Consideration Shares, in order to receive the Consideration Shares for your Ampella Shares at the conclusion of the compulsory acquisition process.	See Section 12.
<b>Can I withdraw my acceptance after I have accepted the Offer?</b>	No. You cannot withdraw your acceptance of the Offer unless a right to withdraw arises under the Corporations Act.  A withdrawal right will arise if, after you accept the Offer, Centamin West Africa varies the Offer in a way that postpones for more than one month the time that Centamin West Africa has to meet its obligations under the Offer (for example, if Centamin West Africa extends the Offer for more than one month while the Offer remains subject to any of the Conditions).	See Section 17.4.
<b>Can I accept the Offer for part of my shareholding?</b>	No. You may only accept the Offer for all your Ampella Shares.	See Section 17.4.
<b>Do I have to pay any brokerage fees if I accept the Offer?</b>	No. You will not pay brokerage if you accept the Offer and are entitled to receive Consideration Shares. However, you may need to pay brokerage fees if you wish to trade Consideration Shares you receive under the Offer.  If you hold your Ampella Shares in a CHESS Holding your Controlling Participant may be entitled under your sponsorship agreement to charge you fees for processing an acceptance into the Offer.	
<b>If I accept the Offer when will I receive my Consideration Shares?</b>	If you accept the Offer, and the Offer becomes unconditional, Consideration Shares will be issued to you on or before the earlier of one month after the Offer becoming unconditional or 21 days after the end of the Offer Period.	See Section 17.5 and Section 17.7.



Question	Response	More information
<b>Will Consideration Shares be listed on the ASX?</b>	<p>No. If you accept the Offer, and subject to FCA and LSE approval for listing and quotation on the LSE of the Consideration Shares being obtained, the Centamin Shares you are issued will trade on the LSE.</p> <p>Centamin will, as soon as practicable after the date of this Bidder's Statement, make an application to the FCA for all of the Consideration Shares to be admitted to the premium listing segment of the Official List of the FCA and to the LSE for such Consideration Shares to be admitted to trading on the LSE's main market for listed securities.</p> <p>An application has been made to list the Consideration Shares you will be issued on the TSX. Listing on the TSX is subject to Centamin fulfilling all of the listing requirements of the TSX.</p>	See Annexure A for more details on how you can deal with your Consideration Shares.
<b>How do I deal with my Consideration Shares?</b>	<p>This depends on whether your Consideration Shares are in certificated form (that is, paper form) or uncertificated form (that is, in CREST).</p> <p>All transfers of certificated Centamin Shares must be effected by an instrument in writing, commonly a share transfer form or in any other form which the Centamin Directors may approve.</p> <p>All transfers of CREST Centamin Shares must be through CREST and must comply with the USRs and the CREST Rules.</p> <p>No fee is payable to Centamin for transferring Centamin Shares or registering changes relating to the ownership of Centamin Shares, but holders of Consideration Shares may incur commission charges when trading Centamin Shares through a broker.</p>	See Annexure A.
<b>What is CREST?</b>	<p>CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and to be transferred otherwise than by a written instrument. The existing Centamin Shares are admitted to CREST. It is expected that all of the Consideration Shares, when issued and fully paid, will be capable of being held and transferred by means of CREST. It is expected that the Consideration Shares will trade under ISIN JE00B5TT1872.</p>	
<b>How do I trade my Consideration Shares on LSE when I receive them?</b>	<p>Centamin Shares are regularly traded on the main market of the LSE and are typically traded through a stockbroker. New Centamin Shareholders will need to contact a broker in order to facilitate a trade of the Consideration Shares they are issued following acceptance of the Offer.</p>	See Annexure A
<b>What if I want to trade my Consideration Shares on TSX rather than LSE?</b>	<p>The Consideration Shares will initially be admitted to the premium segment of the Official List and to trading on the LSE. If the Consideration Shares are approved for listing on the TSX and you wish to trade on the TSX, you will need to contact Share Registry to transfer your Consideration Shares to the Canadian register.</p>	See Annexure A

Question	Response	More information
<b>Are there any difficulties in dealing with small parcels of Centamin Shares on the LSE?</b>	Centamin Shares are regularly traded on the LSE but small parcels of shares may attract commission charges that are relatively high in comparison to the proceeds received. This is because the majority of stock brokers will have a minimum commission charge that they apply to sales.	
<b>What are the taxation implications of accepting the Offer?</b>	Section 16 contains an overview of the Australian, Jersey and UK taxation implications of accepting the Offer.  Centamin recommends that you seek independent professional advice in relation to your own specific circumstances.	See Sections 16.1, 16.2 and 16.3.

### 3.4 Overview of Risks

Question	Response	More information
<b>What are the risks if I accept the Offer?</b>	<p>If you accept the Offer, and the Offer becomes unconditional, you will be issued with Consideration Shares (unless you are an Ineligible Foreign Shareholder or Small Shareholder – see Section 17.12).</p> <p>There are risks in holding Centamin Shares. The financial and operational performance of the Centamin Group's businesses and the value and trading prices for Centamin Shares will be influenced by a range of risks. Many of these risks are beyond the control of the Centamin Group.</p> <p>Section 6 provides detailed explanations of these risks such as:</p> <ul style="list-style-type: none"> <li>• risks that are specific to Centamin;</li> <li>• general industry risks; and</li> <li>• risks related to the Offer.</li> </ul> <p>In summary, risks which could have a material and adverse effect on Centamin's and Centamin West Africa's business, results of operations, financial performance and prospects include:</p> <ul style="list-style-type: none"> <li>• <b>(Single project dependency for near-term revenues)</b> The Sukari Project currently constitutes all of Centamin's mineral Resources and Reserves and near-term production and revenue. Any adverse development affecting the progress of the Sukari Project such as, but not limited to, SGM (which operates the Sukari Project) and PGM losing their current contractual entitlements to the Sukari Project under the terms of the Sukari Concession Agreement (more particularly described in Section 18.8 (Material Contracts)) could have a material and adverse effect on Centamin's business, results of operations, financial performance and prospects. In particular, SGM and PGM may lose their current contractual</li> </ul>	<p><b>Please note that this is not an exhaustive list of all of the risks of the Offer</b></p> <p>See Section 6 for more information on the risks of the Offer.</p>

Question	Response	More information
	<p>entitlements to the Sukari Project pursuant to the current litigation over the concession, as more particularly described in Section 18.7 (Material Litigation).</p> <ul style="list-style-type: none"> <li>• <b>(Sukari Project joint venture risk)</b> SGM is owned jointly by PGM (of the Centamin Group) and EMRA, with equal board representation. Should the board of SGM be unable to reach consensus on a matter requiring board-level approval or in the event of any dispute arising between PGM and EMRA, it may have to participate in arbitration or other proceedings to resolve the dispute.</li> <li>• <b>(Failure to achieve production estimates)</b> Centamin currently prepares estimates of future gold production for its existing and future development of the Sukari Project. There can be no assurance that Centamin will achieve its production estimates.</li> <li>• <b>(Operational failures and unscheduled interruptions)</b> The achievement of Centamin's operational targets will be subject to the timely completion of planned operational goals on budget and the effective support of Centamin's personnel, contractors, systems, procedures and controls and suppliers. Any failure in this regard may result in delays in the achievement of operational targets.</li> <li>• <b>(Capital and operational cost inflation may reduce anticipated returns)</b> The capital costs for the Sukari Project and the development of Centamin's portfolio assets may be significantly higher than anticipated due to, amongst other things, unforeseen delays in supplies, labour and material cost inflation, local and international political events, or workforce disruption. Cash operating costs, production and economic returns, and other estimates contained in previous studies or estimates prepared by or for Centamin may differ from those estimated costs currently anticipated by Centamin.</li> <li>• <b>(Mine construction and operational risks)</b> Planned construction and commissioning of the remainder of the expansion of the Sukari Project, and any further expansion projects that Centamin undertakes, may be delayed by a number of factors, including late delivery of components, adverse weather or equipment failures or delays in obtaining, or renewing where applicable, the required permits or consents or gaining access to suitable skilled labour, as well as cost overruns and cost inflation.</li> </ul>	

Question	Response	More information
	<ul style="list-style-type: none"> <li>• <b>(Reliance on key personnel)</b> The success of the Centamin Group's operations and activities is dependent to a significant extent on the efforts and abilities of the Centamin Directors and management team. There can be no assurance that Centamin will be able to successfully recruit and retain the necessary qualified personnel.</li> <li>• <b>(Reliance on external contractors)</b> Centamin's underground mining operations at Sukari are conducted by third party contractor Barminco, further details of which are contained in Section 18.8 (Material Contracts). The loss or diminution in the services of suitably qualified and/or experienced sub-contractors or an inability to source or retain necessary sub-contractors or their failure to properly perform their services could have a material and adverse effect on Centamin's business, results of operations, financial performance and prospects.</li> <li>• <b>(Dependency upon good employee relations)</b> Egyptian employment law affords extensive protection to employees. Although management believes its labour relations, with both employees and contractors, are good, there can be no assurance that a work slowdown, a work stoppage or strike will not occur at the Sukari Project or at any of the Centamin Group's possible future development projects or exploration prospects, even where the workforce is not unionised.</li> <li>• <b>(Currency and gold price risk)</b> A significant portion of Centamin's operating expenses are incurred in U.S. dollars, Egyptian pounds and GBP, whilst its revenues from gold sales are in U.S. dollars. Furthermore, Centamin does not currently maintain any facilities for hedging its exposure to currencies or the price of gold, which fluctuates as a result of a number of factors beyond Centamin's control. Any appreciation in currencies other than U.S. dollars in which the Centamin Group incurs material expenses or adverse fluctuations in the gold spot price, could have a material and adverse effect on Centamin's business, results of operations, financial performance and prospects.</li> <li>• <b>(Egyptian political risk)</b> With the exception of Centamin's small Ethiopian exploration portfolio, the Centamin Group's production and exploration activities are entirely in Egypt, a country which has been subject to civil and military disturbance in the last two years.</li> </ul>	

## Summary of the Offer and How to Accept

<b>Offer</b>	Centamin West Africa, a wholly owned subsidiary of Centamin, offers to acquire all of your Ampella Shares for consideration of 1 Centamin Share for every 5 Ampella Shares you hold on the terms set out in Section 17.
<b>Shares to which the Offer relates</b>	The Offer is made in respect of Ampella Shares that exist or will exist as at 7:00pm (Sydney time) on the Record Date (and also extends to Ampella Shares that are issued during the period from the Record Date to the end of the Offer Period due to the exercise of Ampella Options or vesting of any Ampella Performance Rights).
<b>Opening date of Offer</b>	The offer opens on 13 January 2014.
<b>Closing date of Offer</b>	Unless the Offer is extended, acceptances for the Offer close at 7.00pm (Sydney time) on 13 February 2014.
<b>Expected date of payment to Shareholders who accept the offer</b>	<p>6 March 2014. If you accept the Offer you will be issued your Centamin Shares 1 month after the later of the date you accept the Offer and the date the Offer becomes, or is declared, unconditional and, in any event, no later than 21 days after the Closing Date. This date assumes the Offer will become unconditional and close on 13 February 2014. The date of issue of your Consideration Shares may change if the Offer becomes unconditional earlier or if the Closing Date is extended.</p> <p>If you accept the Offer and you are an Ineligible Foreign Shareholder or a Small Shareholder, you will not be issued any Consideration Shares. The Consideration Shares to which you would have otherwise been entitled will be issued to the Sale Facility Agent and you will be paid the net proceeds of the sale in Australian dollars by cheque.</p>
<b>Brokerage</b>	If you accept the Offer the brokerage costs will be borne by the Centamin Group. However, some Ampella Shareholders who hold their Ampella Shares through CHES may be charged an administration fee by their Controlling Participant for processing their acceptance of the Offer.
<b>Conditions</b>	<p>The Offer is conditional on the events specified in Section 17.7 of this Bidder's Statement, which include:</p> <ul style="list-style-type: none"> <li>• Centamin West Africa acquiring a Relevant Interest in more than 90% of Ampella Shares;</li> <li>• no Prescribed Occurrences occurring;</li> <li>• that Ampella has at least A\$10,000,000 in Cash as at the earlier of 31 January 2014 and the date on which Centamin's Voting Power in Ampella is equal to or greater than 50%;</li> <li>• that the LSE has conditionally approved the listing of the Consideration Shares;</li> <li>• no Regulatory Authority has done certain things to prevent the consummation of the acquisition of Ampella Shares or has refused to do anything necessary to permit the acquisition of Ampella Shares (which includes obtaining all necessary approvals of the TSX);</li> <li>• no Material Adverse Change has occurred;</li> <li>• there is no Warranty Breach under the Takeover Bid Implementation Deed; and</li> <li>• there is no material adverse change in the status or the terms of the Tenements or the Applications.</li> </ul>
<b>How to accept the Offer</b>	<p><b>If your Ampella Shares are on the Ampella's issuer sponsored sub register:</b></p> <p>Return a completed and signed Acceptance Form to the address specified in the form so that it is received before the Offer closes.</p>

**If your Ampella Shares are in a CHESS Holding:**

either:

- return a completed and signed Acceptance Form to the address specified on the form; or
- instruct your Controlling Participant (normally your Broker) to accept the Offer on your behalf,

so that your Acceptance Form is received or your acceptance is processed before the Offer closes.

**If you are a Participant:**

Initiate acceptance of the Offer in accordance with rule 16.3 of the ASX Settlement Operating Rules before the Offer closes.

**Ineligible Foreign Shareholders**

If you are a person whose address as shown in the register of members of Ampella is in a jurisdiction other than Australia, its external territories or Canada and the law of that jurisdiction makes it, in the reasonable opinion of Centamin West Africa, unlawful or too onerous for Centamin West Africa to make the Offer to you and to procure that Centamin issue you with Consideration Shares, then you will be taken to be an **"Ineligible Foreign Shareholder"**. If you believe that, in your relevant jurisdiction, it is not unlawful to issue Consideration Shares to you, then you should contact the Offer Registry and provide details as to how it is lawful in that jurisdiction for you to be issued Consideration Shares.

If you accept the Offer and you are an Ineligible Foreign Shareholder, you will not be issued any Consideration Shares. The Consideration Shares to which you would have otherwise been entitled to will be issued to the Sale Facility Agent (together with those of all other Ineligible Foreign Shareholders who accept the Offer) and you will be paid the net proceeds of the sale in Australian dollars by cheque. Please refer to section 17.12 for further details.

**Small Shareholders**

A Small Shareholder is an Ampella Shareholder whose holding of Ampella Shares is such that the total number of Consideration Shares which that shareholder is entitled to be issued is a Small Parcel.

A Small Parcel is the number of Consideration Shares valued at less than A\$500 based on the highest closing price for Centamin Shares published by LSE or TSX during the period beginning on the date of this Bidder's Statement and ending on the earlier of 5 trading days before the first day on which Centamin West Africa must procure the issue of Consideration Shares to an Ampella Shareholder under the Offer and the Closing Date.

For example, assuming the price of a Centamin Share on LSE was GBP0.45 (and that the price of a Centamin Share on LSE was higher than the price of a Centamin Share on TSX) at the date of this Bidder's Statement, a Small Parcel would be any parcel of less than 613 Consideration Shares. This is calculated by dividing A\$500 by GBP0.45, assuming a foreign exchange rate of GBP1 = AUD1.81. The number of Consideration Shares which makes up a Small Parcel will be dependent upon the trading price of Centamin Shares from the date of this Bidder's Statement.

The table below illustrates the number of Ampella Shares which will result in the holder of those Ampella Shares being a Small Shareholder at various Centamin Share prices.

### Small Parcel Comparative Table for Illustrative Purposes Only

Illustrative Centamin Share price (pence/share)		Implied Small Parcel-threshold – Consideration Shares	Consideration ratio	Implied Small Parcel threshold for Ampella Shares
<i>GBP</i>	<i>AUD</i>			
0.40	0.72	690	1:5	3,450
0.41	0.74	673	1:5	3,365
0.42	0.76	657	1:5	3,285
0.43	0.78	642	1:5	3,210
0.44	0.80	627	1:5	3,135
0.45	0.81	613	1:5	3,065
0.46	0.83	600	1:5	3,000
0.47	0.85	587	1:5	2,935
0.48	0.87	575	1:5	2,875
0.49	0.89	563	1:5	2,815
0.50	0.91	552	1:5	2,760

Please refer to Section 17.13 for more information

If you accept the Offer and you are a Small Shareholder, you will not be issued any Consideration Shares. The Consideration Shares to which you would have otherwise been entitled will be issued to the Sale Facility Agent (together with those of all other Small Shareholders and Ineligible Foreign Shareholders who accept the Offer) and you will be paid the net proceeds of the sale in Australian dollars by cheque.

#### Consideration Shares to be listed on LSE and TSX

All Consideration Shares issued under the Offer are expected to be admitted to the premium segment of the Official List and to trading on the main market of the LSE. An application has also been made to list the Consideration Shares on TSX. Listing on the TSX is subject to Centamin fulfilling all of the listing requirements of the TSX. If the TSX lists such shares and you want to trade your Consideration Shares on the TSX, you will be required to transfer your Consideration Shares to the Canadian register. The removal process can be effected by making an election with your broker or by completing the register removal documents.

Please see Annexure A for general information about how you may deal with shares listed on the LSE or if you wish to subsequently transfer these shares after issue to the Canadian register.

The information in this Section is a summary of the Offer only. You should read it in conjunction with the remainder of this Bidder's Statement.



## Reasons to accept the Offer

### 5.1 The Offer represents an attractive value for Ampella Shares

The Offer is 1 Centamin Share for every 5 Ampella Shares held, which implies a value of A\$0.168 per Ampella Share, based on a Centamin Share price of GBPO.4526 and the prevailing foreign exchange rate of GBP1 = A\$1.86 on the last practicable date before the date of the Bidder's Statement, being 2 January 2014.

The Offer represents a substantial premium of 124% to Ampella's closing price on ASX on 6 December 2013 (being the last day Ampella's Shares traded prior to the announcement of the Offer) (A\$0.075) and an 86% premium to Ampella's 20 day volume weighted average price on the ASX also to 6 December 2013.

### 5.2 Value enhancing opportunity for Ampella Shareholders to become part of a significant gold production company

Centamin is a FTSE250 London-listed and Toronto-listed gold mining company, with a market capitalisation of c.A\$928 million at 2 January 2014 (being the latest practicable date, prior to the date of the Bidder's Statement). Centamin has been actively exploring in Egypt since 1995 and its principal asset is the large scale, low cost Sukari gold mine, located in the Eastern Desert. Sukari is the first modern gold mine in Egypt and produced 150,000 ounces of gold in its maiden year of production in 2010, with 2013 production of 356,943 ounces representing a fourth consecutive year of production growth.

The rapid optimisation and expansion programme at Sukari has been entirely funded by Centamin out of cost recoveries from the Sukari gold mine and Centamin remains debt and hedge free. Centamin's US\$325 million investment in the "Stage 4" plant expansion to double nameplate capacity to 10Mt per annum commenced in 2011, and is currently in the commissioning phase. The expansion will drive further production growth to the long-term target of 450,000 to 500,000 ounces per annum from 2015 onwards, with an expected mine life of c.20 years. Based on the performance of the existing plant, throughput is expected in due course to exceed nameplate and reach at least 11Mt per annum.

This production and mine life is supported by a Resource base of 13.4Moz Au, with current Reserves of 8.2Moz Au. These Reserves are expected to grow further in the coming years as exploration continues, in particular from the high grade regions of the deposit which support the underground mine. The geological structures which host these high grades have, Centamin believes, the potential to deliver additional Reserves.

The acquisition of Ampella will provide a significant expansion to Centamin's exploration drive and also a first entry into a highly prospective region of Burkina Faso, which in recent years has proven to be a stable and attractive destination for mining investment. The existing Resource developed by Ampella at Batie West (1.9Moz Indicated and 1.3Moz Inferred) will increase the Centamin Group's Measured and Indicated Resource to 15.3Moz and Inferred Resource to 3.2Moz. More importantly, Centamin intends to realise the potential for further significant Resource expansion through a focussed exploration programme, with the ultimate aim of further production growth via the development of an economically robust operation at Batie West.

### 5.3 Access to a broader asset portfolio

The enlarged group will offer a diverse portfolio of assets in Egypt, Burkina Faso, Cote d'Ivoire and Ethiopia. This offers shareholders the benefit of diversification, both in terms of geological setting and also political and other developmental risks.

### 5.4 Centamin is well positioned to extract value from Ampella's advanced exploration assets in Burkina Faso

The Offer provides Ampella Shareholders with the opportunity to extract value from the investment made in Ampella's advanced stage exploration assets in Burkina Faso, by leveraging Centamin's technical expertise and track-record in transforming the Sukari gold mine from an early stage exploration project into a globally-significant gold producing mine.

Centamin's core experience in exploration, project development, construction and operation means Centamin has a significant advantage in acquiring and developing new gold projects such as Ampella's assets in Burkina Faso and Cote d'Ivoire.

Centamin's solid track record of delivering against its operational targets is evidenced by the following:

- 2012 output of almost 263,000 ounces was ahead of guidance of 250,000 ounces.
- Process plant throughput during 2013 has reached a level almost 20% above the 5Mtpa nameplate capacity.
- Underground mining rates have steadily increased since first ore was mined in Q4 2010, with Q3 2013 output at 20% above original target levels.
- 2013 production of 356,943 ounces is in excess of the guidance of 320,000 ounces, as notified to the market on 14 March 2013<sup>2</sup>.

Centamin does not hedge any of its production and aims to maximise shareholders' exposure to the gold price through a strong focus on cost discipline, with operating cash costs expected to remain below US\$700 per ounce in 2013. Capital expenditure requirements at Sukari are expected to reduce significantly as output continues to rise. The operation is therefore well placed to maintain industry-competitive all-in sustaining costs and thus deliver substantial free cash flows to Centamin and EMRA, its joint venture partner, even under the current challenging market conditions.

These robust cash flows from Sukari, together with Centamin's strong balance sheet (no debt and cash and equivalents of US\$156 million at 30 September 2013) will provide a high level of exploration and development funding certainty for Ampella's assets, which is critical to ensure continued progress in the current challenging market environment for junior exploration companies.

## 5.5 **The Ampella Directors unanimously recommended, and Ampella's largest Shareholder has agreed to accept, the Offer in the absence of a Superior Proposal**

The Ampella Board has stated that it unanimously recommends the Offer, in the absence of a Superior Proposal. All Ampella Directors who own or control Ampella Shares have confirmed that they will accept the Offer in respect of the Ampella Shares they own or control within 5 Business Days of the date of the Bidder's Statement, in the absence of a Superior Proposal. Refer to Section 2 of the Target's Statement for the Ampella Director's reasons why they believe that Ampella Shareholders should accept the Offer.

Ampella's largest shareholder, Taurus Funds Management Pty Ltd (18.88%) has entered into a Pre-Bid Acceptance Agreement with Centamin to accept the Offer, subject only to no competing offer being recommended by the Ampella Board between the date of the Takeover Bid Implementation Deed and 5 business days following publication of Ampella's Target's Statement, which is intended to be released concurrently with this Bidder's Statement.

---

<sup>2</sup> As at 30 September 2013, year-to-date production was 265,397oz, with 84,757oz produced in Q3 2013.

## 6 Risk factors

The exploration for and development of metals and Mineral Resources, together with the construction and development of mining operations in Africa, is a speculative activity that involves a high degree of risk. The Centamin West Africa Directors believe that, in particular, Ampella Shareholders should carefully consider the following risks, which represent the material risks known to the Centamin West Africa Directors as at the date of this Bidder's Statement relating to the Centamin Group and to an investment in Centamin Shares. If any of these risks, which the Centamin West Africa Directors consider to be the material risks as at the date of this Bidder's Statement, together with possible additional risks of which the Centamin West Africa Directors are currently unaware or which they consider not to be material in relation to the Centamin Group's business, actually occur, the Centamin Group's business, financial position or operating results could be materially and adversely affected. It should be noted that this list is not exhaustive and that certain other risk factors of which the Centamin West Africa Directors are not currently aware may apply. Ampella Shareholders should consider carefully whether an investment in Centamin Shares is suitable in light of the information in this Bidder's Statement and their personal circumstances. Centamin Shares carry no guarantee in respect of profitability, dividends, return of capital or the price at which they may trade and Ampella Shareholders could lose all or part of their investment if they are issued Centamin Shares.

### 6.1 Risks relating to Centamin's overall business activities

#### Single project dependency for near-term revenues

The Sukari Project currently constitutes all of Centamin's mineral Resources and Reserves and near-term production and revenue. Any adverse development affecting the progress of the Sukari Project such as, but not limited to:

- (i) unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, or any other event leading to a reduction in production or closure of mines or other producing facilities, damage to life or property, environmental damage, hiring suitable personnel and engineering contractors, or securing supply agreements on commercially suitable terms; or
- (ii) PGM and SGM losing their current contractual entitlements to the Sukari Project under the terms of the Sukari Concession Agreement (more particularly described in Section 18.8 (Material Contracts), whether pursuant to:
  - (A) the current litigation over the concession, as more particularly described in Section 18.7 (Material Litigation); or
  - (B) the Egyptian Government calling a breach of the Concession Agreement;
  - (C) the requisition of all or part of the production of the mine by the ARE, in case of national emergency, under the terms of the Concession Agreement; or
  - (D) the agreement being deemed to be governed by Egyptian administrative law (rather than statute), which would allow the ARE to unilaterally amend its terms (including related taxation benefits) or terminate the Concession Agreement, if it deems to be in the public interest,

could have a material and adverse effect on Centamin's business, results of operations, financial performance and prospects.

#### Sukari Project joint venture risk

SGM is owned jointly by PGM and EMRA, with equal board representation, whilst responsibility for the day-to-day management of SGM rests with the general manager, who is appointed by PGM. The board of SGM operates by way of simple majority. As such, should the board of SGM be unable to reach consensus on a matter requiring board-level approval or in the event of any dispute arising between PGM and EMRA, which PGM is unable to amicably resolve, it may have to participate in arbitration or other proceedings to resolve the dispute, which could have a material and adverse effect on Centamin's business, results of operations, financial performance and prospects.

**Failure to achieve  
production estimates**

Centamin currently prepares estimates of future gold production for its existing and future development of the Sukari Project. There can be no assurance that Centamin will achieve its production estimates and such failure could have a material and adverse effect on Centamin's future cash flows, profitability, results of operations and financial condition.

The realisation of production estimates is dependent on, amongst other things: the accuracy of Mineral Reserve and Resource estimates; the accuracy of assumptions regarding ore grades and recovery rates; ground conditions (including hydrology); physical characteristics of ores; the presence or absence of particular metallurgical characteristics; the accuracy of estimated rates and costs of mining (including access to and permitting for sufficient quantities of ammonium nitrate and related blasting products), ore haulage, the availability of suitable machinery and equipment, skilled labour and processing capacity.

**Operational failures and  
unscheduled interruptions**

The achievement of Centamin's operational targets will be subject to the timely completion of planned operational goals on budget, and the effective support of Centamin's personnel, contractors, systems, procedures and controls and suppliers. Any failure in this regard or any instances of unscheduled interruptions in Centamin's operations due to mechanical or other failures or industrial relations related issues or problems or issues with the supply of fuel and other goods or services including spare parts, machinery and explosives, may result in delays in the achievement of operational targets with a consequent material adverse impact on Centamin's business, results of operations, financial performance and prospects.

**Capital and operational  
cost inflation may reduce  
anticipated returns**

The capital costs for the Sukari Project and the development of Centamin's portfolio assets may be significantly higher than anticipated due to, amongst other things, unforeseen delays in supplies, labour and material cost inflation, local and international political events, or workforce disruption. In turn, this may result in Centamin having to make unexpected calls on its treasury reserves or otherwise seek to raise external financing, for which there can be no guarantee of success and which may result in value dilution for current shareholders.

The Sukari Project has a limited operating history upon which Centamin can base estimates of future operating costs. The costs, timing and complexities of mine construction and development are increased by the remote location of the Sukari Project, as well as Centamin's other development opportunities. It is common in new mining operations to experience unexpected problems and delays during construction, development, mine operation and mine expansion. Accordingly, Centamin's actual results may be subject to both greater variability and difficulty in accurately predicting future operating costs and results than would be the case for a company with a longer mining history. Estimates of operating costs are based upon, amongst other things: anticipated tonnage, grades and metallurgical characteristics of the ore to be mined and processed; anticipated recovery rates of gold and other metals from the ore; and cash operating costs based on a bottom-up approach utilising historical data.

Cash operating costs, production and economic returns, and other estimates contained in previous studies or estimates prepared by or for Centamin may differ from those estimated costs currently anticipated by Centamin.

**Mine construction and  
operational risks**

Planned construction and commissioning of the remainder of the expansion of the Sukari Project and any further expansion projects that Centamin undertakes, may be delayed by a number of factors, which could have a material and adverse effect on Centamin's business, results of operations, financial performance and prospects.

Mining projects can suffer delays in start-up and commissioning due to late delivery of components, adverse weather or equipment failures or delays in obtaining, or renewing where applicable, the required permits or consents or gaining access to suitable skilled labour, as well as cost overruns and cost inflation. Furthermore, mine construction raises a range of social and environmental issues, including costs associated with rehabilitation of areas which have been mined or otherwise disturbed, addressing areas of archaeological significance, forestry and water matters, local social, health and community

issues upon construction (including compensation for land and crops) and again on closure of operations. Any estimates for such costs made by the Centamin Group may be insufficient and/or further issues and costs may be identified. Any underestimated or unidentified social and environmental costs related to the development and subsequent closure of a mine could potentially reduce earnings and otherwise have a material and adverse effect on Centamin's business, results of operations, financial performance and prospects.

**Reliance on key personnel**

The success of the Centamin Group's operations and activities is dependent to a significant extent on the efforts and abilities of the Directors and management team, including developing and maintaining or, in the context of the recent political changes in Egypt, renewing important relationships with governmental and regulatory authorities in Egypt. Investors must be willing to rely to a significant extent on the Centamin Directors and the management team's discretion and judgment. Centamin's ability to continue to retain, motivate and attract qualified and experienced management personnel is vital to the Group's business. Factors critical to retaining the Centamin Group's present staff and attracting and recruiting additionally highly qualified personnel include, amongst other things, Centamin's ability to provide competitive compensation arrangements. The Centamin Group does not hold key person insurance in respect of any members of its management team. There can be no assurance that Centamin will be able to successfully recruit and retain the necessary qualified personnel. The loss or diminution in the services of a member of its management team or an inability to recruit, train and/or retain necessary personnel could have a material and adverse effect on Centamin's business, results of operations, financial performance and prospects.

**Reliance on external contractors**

Centamin's underground mining operations at Sukari are conducted by third party contractor Barmenco, further details of which are contained in Section 18.8 (Material Contracts). Centamin Shareholders must be willing to rely to a significant extent on the expertise and competence of outside contractors or sub-contractors. When the world mining industry is buoyant there is increased competition for the services of suitably qualified and/or experienced sub-contractors, such as drilling contractors, assay laboratories, metallurgical testwork facilities and other providers of engineering, project management and mineral processing services. As a result, the Centamin Group may experience difficulties in sourcing and retaining the services of suitably qualified and/or experienced sub-contractors on suitable economic commercial terms. The loss or diminution in the services of suitably qualified and/or experienced sub-contractors or an inability to source or retain necessary sub-contractors or their failure to properly perform their services could have a material and adverse effect on Centamin's business, results of operations, financial performance and prospects.

**Dependency upon good employee relations**

Egyptian employment law affords extensive protection to employees. Although management believes its labour relations, with both employees and contractors, are good, there can be no assurance that a work slowdown, a work stoppage or strike will not occur at the Sukari Project or at any of the Centamin Group's possible future development projects or exploration prospects, even where the workforce is not unionised. Work slowdowns, stoppages, disputes with employees or other labour-related developments or disputes could result in a decrease in the Group's production levels which could have a material and adverse effect on Centamin's business, results of operations, financial performance and prospects.

**Currency and gold price risk**

A significant portion of Centamin's operating expenses are incurred in U.S. dollars, Egyptian pounds and GBP, whilst its revenues from gold sales are in U.S. dollars. Furthermore, Centamin does not currently maintain any facilities for hedging its exposure to currencies or the price of gold, which fluctuates as a result of a number of factors beyond Centamin's control.

Any appreciation in currencies other than US dollars in which the Group incurs material expenses or adverse fluctuations in the gold spot price, could have a material and adverse effect on Centamin's business, results of operations, financial performance and prospects.



## **Egyptian political risk**

With the exception of Centamin's small Ethiopian exploration portfolio, the Centamin Group's production and exploration activities are entirely in Egypt, a country which has been subject to civil and military disturbance in the last two years. There is no assurance that future political and economic conditions in Egypt will not result in the Government of Egypt adopting different policies respecting foreign development and ownership of mineral resources. Any such change in policy may result in changes in laws affecting ownership of assets, land tenure and mineral concessions, taxation, royalties, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, which may affect both Centamin's ability to undertake exploration, development and operational activities in respect of future properties as well as its ability to continue to explore, develop and operate those properties in respect of which it has obtained mineral exploration and exploitation rights to date. Egypt also has limited experience of large scale mining operations and current laws do not necessarily reflect current international practices (for example in relation to 24 hour blasting techniques).

## **External perceptions of Egypt and Ethiopia**

External perceptions of Egypt or Ethiopia with respect to political and economic instability and civil unrest may have an adverse effect on:

- (i) the market value of Centamin Shares, which could adversely affect the market price of the Centamin Shares, making it more difficult for Centamin to gain access to the capital markets and finance its operations in the future on acceptable terms or at all;
- (ii) the ability of Centamin to attract suppliers, contractors and skilled workers to its operations in Egypt, which could have an adverse impact on capital projects and on-going operations,

which in turn could have a material and adverse effect on Centamin's business, results of operations, financial performance and prospects.

## **Relationship with EMRA**

Any dispute with EMRA may adversely affect the Centamin Group's ability to manage the Sukari Project in the most effective way. Such a dispute could arise under the cost recovery and profit share provisions of the Concession Agreement (more particularly described in Section 18.8 (Material Contracts), resulting in EMRA seeking a greater degree of control at Sukari.

## **Reserve and Resource estimates**

The mineral Resource and Reserve figures presented in this Bidder's Statement are prepared by Centamin Group personnel, with the assistance of independent geologists. By their nature, mineral Resources and Reserves are estimates based on a range of assumptions, including geological, metallurgical and technical factors. There can be no guarantee that the anticipated tonnages or grades expected by Centamin will be achieved.

## **Hazardous operating conditions**

The mining operations of the Centamin Group at Sukari are often carried out in extreme temperatures. Whilst the Centamin Group maintains strict health and safety policies, Centamin remains susceptible to the possibility that liabilities might arise as a result of breaches of these requirements, accidents, fatalities or other workforce-related misfortunes, some of which may be beyond the Centamin Group's control. The occurrence of any accidents or any of these situations could delay production, increase production costs and/or result in material liability for the Centamin Group.

## **6.2 Risk that may arise from accepting the Offer**

### **Price fluctuation**

There are risks associated with any investment in equity securities. Investors should recognise that the trading price of Centamin Shares may fall as well as rise with movements in the equity capital markets in the United Kingdom, Canada and internationally. The trading price of Centamin Shares could also be adversely affected as a result of the sale or issue of substantial numbers of the Centamin Shares in the public market, or by the perception that this could occur, impacting Centamin's ability to further access such markets for fundraising purposes.

**Dilution**

Any increase in the number of Centamin Shares in the market arising from future issuances by Centamin or the exercise of any share options, or even the perception that such increase in the number of Centamin Shares might occur, could adversely affect the market price of the Centamin Shares. Sales of a substantial number of Centamin Shares in the public markets, or the perception that these sales may occur, could have a material and adverse effect on the price of the Centamin Shares or could impair Centamin's ability to obtain further capital in the longer term through an offering of equity securities.

Whilst Centamin's Articles do include pre-emption rights that reflect the rights applicable to English companies under the UK Companies Act, such rights may not be made available to Centamin Shareholders in certain jurisdictions under certain circumstances, including where it is not lawful or reasonably practicable for Centamin to do so. Centamin cannot assure investors that they will be able to exercise any pre-emptive rights. Furthermore, Centamin may issue other classes of securities with rights, preferences or privileges that are more favourable than those attached to the Centamin Shares.

**Lack of liquidity**

There can be no guarantee that there will be a liquid market in Centamin Shares. An investment in Centamin Shares may in certain circumstances be difficult to realise. Centamin is subject to the City Code on Takeovers and Mergers and Canadian takeover law which may affect a bidder's ability to freely acquire Centamin Shares.

**Investing in a foreign company**

There are risks in investing in a company which is incorporated and its securities listed in an overseas country. These risks include the difficulty in taking legal action (including enforcing your rights) against a foreign company and the associated costs in doing so. There are differences between the companies and securities laws of Jersey and the United Kingdom and Canada (which apply to Centamin) and those of Australia. Please refer to Annexure B for more information about some of the key differences.

**Offer terms**

Ampella Shareholders will have limited withdrawal rights with respect to the Offer, which means that a decision to accept the Offer may be irrevocable. Once you have accepted the Offer for your Ampella Shares, you have the right to withdraw your acceptance of the Offer only in limited circumstances. Under the Corporations Act, if after you have accepted the Offer and while it remains subject to conditions, the Offer is varied (such as by an extension of the Offer Period) so as to postpone for more than one month, the time when Centamin must meet its obligations under the Offer, you will be able to withdraw your acceptance. Otherwise, you will be unable to withdraw your acceptance of the Offer even in the market of Centamin Shares varies significantly from their value on the date of your acceptance of the Offer.

**Dividend policy**

Centamin has not declared or paid any dividends on Centamin Shares. For the foreseeable future, Centamin anticipates that it will retain future earnings and other cash resources for the operation and developments of its business. The payment of any future dividends will depend upon earnings and Centamin's financial condition, current and anticipated cash needs and such other factors as the Centamin Directors consider appropriate.

**Exchange rate risk**

The Centamin Shares are denominated in GBP, and will be quoted and traded in GBP on the LSE. Application has been made to list the Consideration Shares on the TSX. Listing on the TSX is subject to Centamin fulfilling all the listing requirements of the TSX. If this listing is granted, these Centamin Shares will be denominated in Canadian dollars on the TSX.

Accordingly, shareholders may be subject to risks arising from adverse movements in the value of their local currency against the GBP or the Canadian dollar which may reduce the value of the Centamin Shares, as well as that of any dividends paid.



## General economic conditions

A number of factors outside the control of Centamin may impact on the operating and financial performance of the Centamin Group and the price of Centamin Shares, including:

- economic conditions in the United Kingdom, Egypt, Canada or elsewhere;
- general movements in the local and international stock markets;
- investor sentiment;
- changes in interest rates, exchange rates and the rate of inflation;
- changes in fiscal, monetary or regulatory policies; or
- international hostilities.

The recent global recessionary environment and the volatility of the international financial markets have caused governments and central banks to undertake unprecedented intervention designed to stabilise the global and domestic financial systems, to stimulate new lending and to support systemically important institutions at risk of failing. Many developed economies have entered recession and growth has slowed in many emerging economies, with serious adverse consequences for asset values, employment levels, consumer confidence and levels of economic activity. Some commodity prices have significantly retreated, in many cases from recent historical highs; interest rates have fallen in absolute terms in many markets, and trade flows have contracted. Global equity markets have experienced severe declines and various currencies have depreciated significantly against the U.S. dollar. Numerous governments and central banks have responded by proposing programmes to make substantial funds and guarantees available to boost liquidity and confidence in their financial systems, as well as cutting taxes and lowering interest rates. It is not known whether these responses will ultimately be effective in addressing the severe economic and market conditions that have been experienced, or whether recently proposed measures will be implemented as initially proposed. Further, markets now face new and increased uncertainty as a result of concerns about the ability of certain European countries to continue to service their sovereign debt. Should one or more such countries default in meeting their obligations this could have widespread negative consequences for debt and equity markets in Europe and throughout the world, with negative flow on effects for Centamin and the value of its Centamin Shares.

A worsening of economic conditions or a prolonged deterioration of economic conditions could have an adverse effect on Centamin's business, financial condition, results of operations and prospects. The impact of these economic conditions on the Centamin Group may not be immediate.

## Centamin and Centamin West Africa

### 7.1 Centamin

Centamin is the ultimate holding company for a mining group that has been actively exploring in Egypt since 1995. Centamin's principal asset is its interest in the large scale, low cost Sukari gold mine, located in the Eastern Desert of Egypt. The Sukari gold mine produced 150,000 ounces of gold in its maiden year of production in 2010, consistently expanding thereafter to reach production of 356,943 ounces in 2013. The "Stage 4" process plant expansion programme to double nameplate capacity to 10Mt per annum commenced in 2011 and is currently in the commission phase. The expansion will drive further production growth to the long-term target of 450,000 to 500,000 ounces per annum of production from 2015 onwards. Based on the performance of the existing plant, throughput is expected to exceed nameplate and reach at least 11Mt per annum, in due course.

The Sukari gold mine is the first large-scale modern gold mine in Egypt. Centamin's operating experience in Egypt gives it a significant first-mover advantage in acquiring and developing other gold projects in the prospective Arabian-Nubian Shield.

Centamin also has exploration activities in Ethiopia, through:

- its wholly owned subsidiary Sheba Exploration Limited ("**Sheba**"); and
- a joint venture and earn-in agreement with AIM listed Alecto Minerals Plc ("**Alecto**").

### 7.2 Centamin West Africa

Centamin West Africa is a wholly owned subsidiary of Centamin. Centamin West Africa was incorporated in England and Wales on 16 December 2013 for the purposes of making this Offer and has not undertaken any business other than activities associated with making the Offer. The Centamin West Africa Directors are Josef El-Raghy and Pierre Louw and the company secretary is Darren Le Masurier. Information about Josef El-Raghy is set out in Section 7.5 and information about Pierre Louw and Darren Le Masurier is set out in Section 7.6.

### 7.3 Corporate strategy of Centamin

Centamin's strategy and performance is built upon the following competitive differentiators:

#### Rapid Growth:

Centamin's production and revenue growth since the start of commercial operations is summarised in the table below:

	Production (‘000 oz gold)	Revenue (US\$ million)
<b>2010</b>	150.3	124.0
<b>2011</b>	202.7	340.5
<b>2012</b>	262.8	426.1
<b>2013 - Q1*</b>	87.0	138.2
<b>2013 - Q2*</b>	93.6	134.3
<b>2013 - Q3*</b>	84.8	120.1

*\* These amounts are unaudited.*

The Centamin Group's aim is to ramp up production at the Sukari gold mine to 450,000 to 500,000 ounces of gold per annum from 2015 onwards, at which level current Reserves are expected to support a mine life of c.20 years. Such development will be assisted by the completion of the "Stage 4" plant expansion, as described in Section 7.1 above.

#### Exploration Upside Potential:

Centamin has a large Resource (13.4Moz Measured & Indicated) and Reserve base (8.2Moz Proven and Probable) and this is expected to grow further in the coming years through continued exploration on the 160km<sup>2</sup> Sukari tenement. In particular, the geological structures that host the higher grade ore which supports the underground mine offer potential to define significant further Resources and Reserves. In addition, exploration continues on the Centamin Group's exploration licences in Ethiopia and through the joint venture with Alecto, a company listed on AIM.

<b>First Mover Advantage:</b>	Sukari is the only producing gold mine in Egypt. Centamin's operating experience in Egypt provides it with a significant first-mover advantage in acquiring and developing other gold projects, as evidenced by the recent joint venture with Aleco and this proposal to acquire Ampella.
<b>An Experienced Team:</b>	Centamin's management team and the Centamin Directors have considerable expertise in the gold mining industry. This ranges from the early stage identification of deposits, project financing, construction and development, to the operating of large mines. Some of the leadership team has been based at Sukari for almost a decade, taking it from an early stage exploration project to the large scale operating gold mine it is today.
<b>Financial Strength and Flexibility:</b>	<p>With the availability of US\$156 million of cash, bullion, gold sales receivables and available-for-sale financial assets as at 30 September 2013, and with strong cash flow generation from the Sukari gold mine, no debt and no hedging, Centamin is well positioned to accelerate the exploration and development of Ampella's portfolio of exploration assets in Burkina Faso and Cote d'Ivoire.</p> <p>Centamin's business spans the full mining value chain: from early stage exploration, through development and construction and into mining operations. The Centamin Group's focus is on projects that provide, or offer the potential for, significant growth and returns on investment.</p>
<b>Explore:</b>	<p>Centamin has Resources (inclusive of production since 30 September 2011) of 13.4 million ounces Measured and Indicated, and Reserves (inclusive of production since 31 December 2011) of 8.2 million ounces. Centamin's exploration strategy is aimed at providing cost effective opportunities for future growth, from two primary areas:</p> <ol style="list-style-type: none"> <li>1. Growth at Sukari – Resource expansion at the main Sukari Hill deposit and multiple other prospects on the 160km<sup>2</sup> tenement area.</li> <li>2. Regional organic growth – Exploration on Centamin's tenements outside of Sukari, currently represented by its interests in Ethiopia.</li> </ol>
<b>Develop:</b>	Centamin's flagship project, the Sukari gold mine, is located in the Eastern Desert of Egypt, 700km from Cairo and 25km inland from the Red Sea. Construction began in 2007 and was completed within budget, with the first gold bar being poured in June 2009. This achievement marked the Sukari gold mine as the first modern mine in a country which in ancient times was a highly prolific gold producer.
<b>Operate:</b>	<p>Production at the Sukari gold mine has grown steadily and consistently since Sukari's maiden year of commercial production in 2010, driven by a rapid expansion and optimisation programme, which has been entirely funded from operational cash flows.</p> <p>Centamin's management team have consistently increased production year-on-year from the Sukari gold mine, and:</p> <ul style="list-style-type: none"> <li>• 2012 output of almost 263,000 ounces was ahead of guidance of 250,000 ounces;</li> <li>• process plant throughput through 2013 has reached a sustainable level which is almost 20% ahead of the 5Mtpa nameplate capacity; and</li> <li>• 2013 production of 356,943 ounces is in excess of the guidance 320,000 ounces, as notified to the market on 14 March 2013.</li> </ul> <p>Completion of the "Stage 4" plant expansion (which will be commissioned during 2014), is expected to lay the foundations for consistent annual production of between 450,000 and 500,000 ounces of gold per annum from 2015 onwards.</p>

#### Acquire:

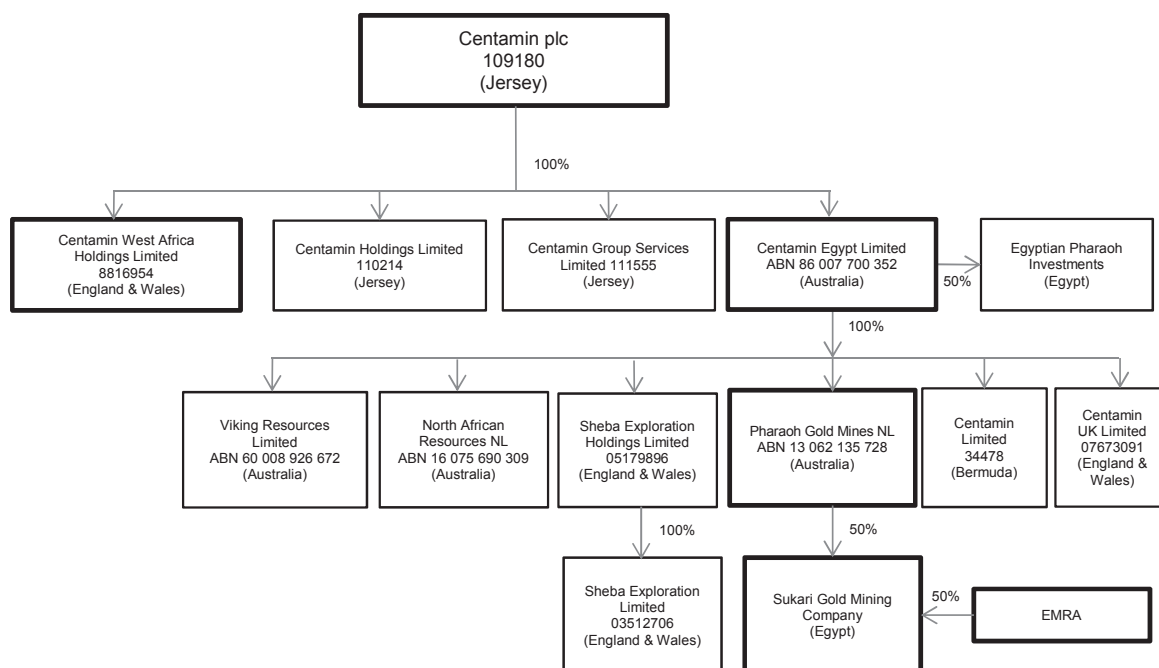
Centamin is financially and technically well placed to evaluate opportunities for increased returns to shareholders through acquisition. The acquisition of Sheba in 2011 marked Centamin's first step in its strategy to diversify geographically. In addition, Centamin currently has a joint venture and earn-in agreement with Alecto, which holds two early stage exploration projects in Ethiopia. Centamin is now, through the Offer, seeking to acquire Ampella to further diversify its portfolio.

#### Sustain:

The Centamin Group's ability to operate is dependent upon the safety and health of employees, good environmental stewardship, the wellbeing of the communities in which it operates, and adherence to best governance practices, from the earliest stages of exploration until mine closure.

Centamin's track record of safety at Sukari has been consistently solid, with a lost time injury frequency rate of just 0.69 per 200,000 man hours during 2012.

### 7.4 Centamin corporate structure



### 7.5 Directors of Centamin

The directors of Centamin, and a brief profile of each of them, is set out below:

#### Josef El-Raghy (Chairman and Chief Executive Officer)

Appointed 26 August 2002, Josef El-Raghy holds a Bachelor of Commerce Degree from the University of Western Australia and then became a director of both CIBC Wood Gundy and Paterson Ord Minnett. Josef has been responsible for overseeing the transition of Centamin from small explorer, through construction and into production.

Josef El-Raghy is also a director of Centamin West Africa.

#### Trevor Schultz (Executive Director of Operations)

Appointed 20 May 2008, Trevor Schultz has a Masters Degree in Economics from Cambridge University, a Masters of Science Degree in Mining from the University of Witwatersrand and completed the Advanced Management Program at Harvard University.

With more than 40 years' experience at the executive management and board level with leading international mining companies, including BHP Billiton Limited, Rio Tinto – Zinc Corporation and Cozinc Riotinto of Australia (both now part of Rio Tinto Group), Pegasus Gold and Ashanti Goldfields, Trevor was most recently the President and CEO of Guinor Gold Corporation. His roles have included development of several new mining operations in Africa, South America and the U.S.A., negotiations with various governments and their agencies and project financing and capital raisings. Trevor is currently a director of Pacific Road Capital Management and Base Resources

Limited. From 1 April 2003 until 31 December 2005, Trevor was a director of Guinor Gold Corporation, from 1 December 2003 to 15 June 2006 he was a director of Southern Era Pty Ltd and from 1 October 1996 to 31 December 2003 was a director of Ashanti Goldfields Pty Ltd.

**Gordon Edward Haslam (Senior Independent Non-Executive Director)**

Appointed 22 March 2011, Edward Haslam has been a non-executive director (and Chairman from June 2007 to April 2012) of the LSE listed Talvivaara plc since 1 June 2007, and since 1 May 2004 has been a non-executive director of Aquarius Platinum Ltd. In 1981, Edward joined Lonmin plc where he was appointed a director in 1999 and Chief Executive Officer in November 2000, before retiring as such in April 2004. Edward has also held various positions with Falconbridge Limited (now part of Xstrata Limited) and British Steel Corporation, was a director of Cluff Gold Plc until September 2007, and is a Fellow of the Institute of Directors (UK).

**Mark Arnesen (Independent Non-Executive Director)**

Appointed 24 February 2011, Mark Arnesen has extensive expertise in the structuring and negotiation of finance for major resource projects. He is a Chartered Accountant with over 20 years' experience in the international resources industry, including a role with the Billiton/Gencor group companies where he was a corporate Treasurer from 1996 to 1998. In 2000 Mark joined Ashanti Goldfields Company Limited as Managing Director – International Treasury and held that position until 2004. From 2004 until 2006 he worked with Equinox Minerals Limited and put in place the Lumwana project financing. In November 2006 he joined Moto Goldmines Limited as the financial director and held that position until the company was taken over by Randgold Resources Limited in late 2009. He was a non-executive director of Natasa Mining Limited from 2006 to 2010 and now sits on its Advisory Board. He was a non-executive Director of Asian Mineral Resources during 2010. He is currently the sole director of ARM Advisors Proprietary Limited and joined the board of Gulf Industrials Limited as CEO in February 2012. Mark holds a Bachelor of Commerce and Bachelor of Accounting degrees from the University of the Witwatersrand.

**Mark Bankes (Independent Non-Executive Director)**

Appointed 24 February 2011, Mark Bankes is an international corporate finance lawyer. Mark has an MA from Cambridge University and joined Norton Rose in 1984. He worked in both London and Hong Kong and was a partner at Norton Rose LLP from 1994 to 2007 before starting his own business, Bankes Consulting EURL, in October 2007. Mark specialises in international securities, mining policy and agreements, mergers and acquisitions and international restructurings for the resource sector. Mark has not held any other directorships in public companies during the previous five years.

**Professor Robert Bowker (Independent Non-Executive Director)**

Appointed 21 July 2008, Bob Bowker is Adjunct Professor at the Centre for Arab and Islamic Studies at the Australian National University. Mr. Bowker retired from the Australian Foreign Service in June 2008 after a 37 year career specialising in Middle East issues. He was Australian Ambassador to Egypt (2005 to 2008) and Jordan (1989 to 1992), in addition to postings in Syria (1979 to 1981) and Saudi Arabia (1974 to 1976). He was also accredited from Cairo as a non-resident ambassador to Libya, Sudan, Syria and Tunisia.

Bob has a PhD from the Centre for Arab and Islamic Studies, Australian National University 2001, an MA from the Centre for Middle East and Central Asian Studies, Australian National University 1995, a BA (Hons) Indonesian and Malayan Studies and Political Science from the University of Melbourne in 1970 and completed an RAF Arabic course at Beaconsfield, UK in 1988. Bob is also a graduate member of the Australian Institute of Company Directors.

**Kevin Tomlinson (Independent Non-Executive Director)**

Appointed 17 January 2012, Kevin Tomlinson was previously Managing Director of Investment Banking at Westwind Partners/Stifel Nicolaus Weisel, a US, Canadian and UK full-service broker, where he advised a number of gold, base metal and nickel companies, including Centamin. Prior to that he was the Director of Natural Resources at Williams de Broë, a London-based broker, and Head of Research for the Australian broking, corporate finance and research house, Hartley's Ltd. Kevin holds a Master of Science degree in Geology from the University of Melbourne. He began his career as a geologist 30 years ago and has worked with various Australian and Canadian-based natural resources companies, including Austminex N.L, where he held the position of Chief Executive Officer, and Plutonic Resources Limited, where he was Exploration Manager. In addition, he was non-executive Chairman of the ASX, AIM and TSX-listed Philippines gold producer, Medusa Mining Limited, from October 2005 to January 2010 and the non-executive Chairman of Dragon



Mountain Gold, an ASX-listed Chinese gold explorer and developer, from January 2006 to October 2008. Kevin is also a non-executive director of TSX listed Samco Gold, Lead Independent and Deputy Chairman of TSX/ASX listed gold producer Besra Gold (formerly Olympus Pacific Minerals) and Chairman of TSX listed Maudore Minerals. Kevin is a Fellow of the Chartered Institute for Securities & Investment.

## 7.6 Key management

The Centamin Group's key management and a brief profile of each of them is set out below:

### **Josef El-Raghy – Chairman and Chief Executive Officer**

See Section 7.5 above.

### **Pierre Louw – Chief Financial Officer**

Pierre is a senior manager with more than 25 years hands-on experience within the mining industry in both major and mid-tier gold and copper mining companies. Pierre is a member of the South African Institute of Professional Accountants and has extensive international experience having worked in Tanzania, Australia, Zambia and his native South Africa. Pierre previously worked as Finance Director for the Lumwana Copper Mine, an Equinox Limited development in Zambia from 2005 to 2010. Prior to joining Equinox, he worked as Business and Financial Manager for Geita Gold Mine (AngloGold Ashanti) in Tanzania for the period 2000 to end 2004. During this time he served as Honorary Treasurer on the Chamber of Mines of Tanzania and as an executive member of the Tanzanian Tax Stakeholders Forum representing the Tanzanian mining sector. He has held management roles in the AngloGold corporate office where he worked as Divisional Manager and with JCI (Johannesburg Consolidated Investment Co) where he started his career in 1986. Pierre holds a National Diploma in Financial Accounting from the University of Johannesburg and completed a Leadership Development Programme through the University of South Africa. Pierre is also a director of Centamin West Africa.

### **Andrew Pardey – Chief Operating Officer**

Andrew Pardey was appointed Chief Operating Officer in May 2012 after having been General Manager-Operations at the Sukari gold mine since 2008. He was a major driving force in bringing Sukari into production, having joined during the mine's construction phase. Andrew holds a BSc in Geology and has over 25 years' experience in the mining and exploration industry, having previously held senior positions in Africa, Australia and other parts of the world with Guinor Gold Corporation, AngloGold Ashanti and Kalgoorlie Consolidated Gold Mines.

### **Youssef El-Raghy – General Manager: Egyptian Operations**

An officer graduate of the Egyptian Police Academy, Youssef El-Raghy held senior management roles within the Egyptian Police force for a period in excess of ten years, having attained the rank of captain, prior to joining the Centamin Group. He has extensive contacts within the government and industry and maintains excellent working relationships with all of Centamin's stakeholders within Egypt.

### **Andrew Davidson – Head of Business Development and Investor Relations**

Prior to joining Centamin in August 2012, Andy Davidson worked for nine years as a mining analyst, including three years as an equity research director at the London-based investment bank Numis Securities. Before this, Andy was a senior exploration geologist within the mining industry, including six years with Ashanti Goldfields closely involved in the discovery and development of the Geita project in Tanzania. Andy holds an MSc in Mineral Project Appraisal from the Royal School of Mines and a BSc in Geology. He is also a Member of the Institute of Materials, Minerals and Mining.

### **Lynne Gregory – General Counsel**

Before joining Centamin in September 2013, Lynne was Legal Director at Charles Russell LLP, prior to which she was a solicitor at top law firms in London, Allen & Overy and Baker & McKenzie. She has worked for over 20 years as a lawyer specialising in complex international commercial litigation and arbitration for corporate clients in a variety of sectors. Lynne holds a degree in law from University College London as well as professional qualifications from the College of Law.

## Darren Le Masurier – Company Secretary

Prior to joining Centamin in July 2013, Darren Le Masurier worked at the fiduciary and law firm Ogier in Jersey for over ten years, providing professional company secretarial, accounting, administration and director services for a diverse range of corporate clients and structures. Darren is a member of the Association of Chartered Certified Accountants. Darren is also company secretary of Centamin West Africa.

### 7.7 Remuneration and interests of Centamin Directors

Name of Director	Number of Centamin Shares	Remuneration in 2012 (USD) <sup>(1)</sup>
Joseph El-Raghy	71,445,086 <sup>(2)</sup>	\$1,920,644
Mark Arnesen	15,000	\$111,908
Mark Bankes	120,000	\$111,908
Robert Bowker	Nil	\$111,908
Ed Haslam	102,056	\$127,895
Trevor Schultz	1,030,000 <sup>(3)</sup>	\$1,490,830
Kevin Tomlinson	Nil	\$88,411

(1) Includes pension and bonus

(2) Includes the El-Raghy family

(3) Includes 1,000,000 ordinary shares held through the Centamin Executive Loan Funded Share Plan

### 7.8 Substantial shareholders in Centamin

As at 2 January 2014 based on shareholder disclosure and register analysis, the following Shareholders had holdings of more than 3% (being the applicable threshold adopted by Centamin in its articles of association, as though it were a UK issuer under the Disclosure and Transparency Rules of the UK Financial Conduct Authority) in the issued share capital of Centamin:

Rank	Shareholder	Centamin Shares	% of Issued Capital
1	Mr Josef El-Raghy	71,445,086 <sup>(1)</sup>	6.49
2	Van Eck Associates	71,444,794	6.49
3	Norges Bank Investment Mgt	45,676,554	4.15
4	Franklin Templeton Investments	40,470,607	3.67
5	ICM	38,684,323	3.51
6	Allan Gray	35,986,959	3.27

(1) Includes the El-Raghy family

### 7.9 Corporate governance

Centamin is a company committed to the highest standards of corporate governance. It acknowledges that corporate governance is both a framework by which the interests of various stakeholders are balanced and a structure through which the objectives of a company are set. Centamin recognises that good corporate governance is an essential part of its responsibilities to enhance shareholder value and the financial performance of Centamin.

As a company with a premium listing on the Official List, Centamin is subject to the FCA's Listing Rules and also the requirement to "comply or explain" against the Financial Reporting Council's UK Corporate Governance Code ("Code").

As a premium listed company, Centamin must either confirm that it has complied with all relevant provisions of the Code or explain areas of non-compliance in its annual report. In many respects the Code is similar to the ASX Corporate Governance Council of Principles of Good Corporate Governance and Best Practice Recommendations. A copy of the Code is available from the FRC's website, [www.frc.org.uk](http://www.frc.org.uk).

Centamin is also committed to the principles of corporate governance contained in the best practice recommendations of the TSX and the best practice recommendations set out in National Policy 58-201 – Corporate Governance Guidelines (NP 58-201), for which the Centamin Board is accountable to shareholders.



Centamin has established five committees, and all committee members are deemed to be independent in accordance with UK corporate governance requirements. These committees are:

- (1) Audit & Risk Committee;
- (2) Remuneration Committee;
- (3) Nomination Committee;
- (4) Compliance / Corporate Governance Committee; and
- (5) Health, Safety, Environmental and Sustainability Committee.

The board of Centamin has adopted the following policies:

- (1) Continuous Disclosure Policy;
- (2) Directors' Test of Independence Policy;
- (3) Health, Safety and Environment Policy;
- (4) Remuneration Policy;
- (5) Risk Management Policy;
- (6) Selection, Appointment and Re-Appointment of Directors Policy;
- (7) Shareholder Communications Policy;
- (8) Securities Trading Policy; and
- (9) Code of Conduct.

For more information about these committees and policies, and about Centamin's approach to corporate governance, Centamin publishes a corporate governance statement in its annual report, which is available at [www.centamin.com](http://www.centamin.com).

#### **7.10 Announcement by Centamin in relation to the Offer**

On 10 December 2013, Centamin made an announcement to ASX in relation to the Offer. A copy of the announcement is set out in Annexure D to this Bidder's Statement. Ampella made the same announcement to ASX on the same date.

## 8.1 Overview

Centamin is a mining company that has been actively exploring in Egypt since 1995. Centamin's principal asset is its interest in the large scale, low cost Sukari gold mine, located in the Eastern Desert of Egypt. The operating company SGM is jointly owned by Centamin's wholly owned subsidiary PGM and the EMRA on a 50% equal basis. The Sukari gold mine produced 150,000 ounces of gold in its maiden year of production in 2010, consistently expanding thereafter to reach production of 356,943 ounces in 2013. The expansion will drive further production growth to the long-term target of 450,000 to 500,000 ounces per annum of production from 2015 onwards. Based on the performance of the existing plant, throughput is expected to exceed nameplate and reach at least 11Mt per annum, in due course.

The Sukari gold mine is the first large-scale modern gold mine in Egypt. Centamin's operating experience in Egypt gives it a significant first-mover advantage in acquiring and developing other gold projects in the prospective Arabian-Nubian Shield.

In 2011 the Centamin Group acquired, through Sheba, four mineral licences in Ethiopia where it is conducting further exploration activities. In September 2013, the Group entered into a joint venture with Alecto to pursue existing and new opportunities identified by Alecto in Ethiopia. The initial joint venture projects relate to two exploration licences, Wayu Boda and Aysid Meketel.

The Centamin Group has been listed on the Main Market of the London Stock exchange since November 2009 (ticker: CEY) and on the Toronto Stock Exchange since April 2007 (ticker: CEE). Previously, the Centamin Group was listed on the AIM market in London between 2001 and 2009 and the ASX between 1970 and 2010.

## 8.2 Centamin's Resources and Reserves - as announced on 18 December 2013

## Open Pit Resource for the Sukari Gold Mine (as at 30 June 2013)

	Measured		Indicated		Total Measured & Indicated			Inferred		
Cut-off (g/t)	Tonnes (Mt)	Grade (g/t)	Tonnes (Mt)	Grade (g/t)	Tonnes (Mt)	Grade (g/t)	Gold (Moz)	Tonnes (Mt)	Grade (g/t)	Gold (Moz)
0.1	333.9	0.62	350.8	0.69	684.7	0.66	14.53	73.7	0.7	1.66
0.2	241.3	0.81	257.0	0.89	496.2	0.85	13.56	52.2	0.9	1.51
<b>0.3</b>	<b>183.8</b>	<b>0.98</b>	<b>201.5</b>	<b>1.06</b>	<b>385.4</b>	<b>1.02</b>	<b>12.64</b>	<b>39.5</b>	<b>1.1</b>	<b>1.40</b>
0.4	145.7	1.15	164.3	1.22	310.0	1.19	11.86	31.9	1.3	1.33
0.5	118.7	1.31	135.1	1.39	253.8	1.35	11.01	26.1	1.5	1.26
0.7	82.6	1.62	97.4	1.70	179.9	1.66	9.60	18.7	1.9	1.14
1.0	52.9	2.06	64.4	2.14	117.3	2.11	7.95	12.5	2.4	0.96

## Notes to Table:

- Totals may not equal the sum of the components due to rounding adjustments.
- The Mineral Resource estimate is based on the mined surface as at 30 June 2013 and adjusted for historical, current and planned underground mining.
- All available assays as at June 2013.
- Resource data set comprises 234,788 two metre down hole composites and surface rock chip samples.
- Proven and Probable Mineral Reserves are included in Mineral Resources.
- The Resources are estimates of recoverable tonnes and grades using Multiple Indicator Kriging with block support correction.
- Measured Resources lie in areas where drilling is available at a nominal 25 x 25 metre spacing, Indicated Resources occur in areas drilled at approximately 25 x 50 metre spacing and Inferred Resources exist in areas of broader spaced drilling.
- The Resource model extends from 9700mN to 12200mN and to a maximum depth of 0mRL (a maximum depth of approximately 1000 metres below wadi level).

### Underground Resource for the Sukari Gold Mine (as at 30 June 2013)

Resource	Tonnes ('000 t)	Grade (g/t Au)	Contained gold ('000 oz)
Measured	537	12.8	222
Indicated	3,805	5.1	622
<b>Total M&amp;I</b>	<b>4,342</b>	<b>6.1</b>	<b>844</b>
Inferred	2,925	5.2	489

Notes to Table:

- Totals may not equal the sum of the components due to rounding adjustments.
- The underground Resource has been generated from available drilling (35,000 metres and 12,300 face samples) and modelled using a 2g/t cut off to determine Resource outlines.

### Total Combined (Open Pit and Underground) Mineral Reserve for the Sukari Gold Mine (as at 30 September 2013)

	Proven		Probable		Mineral Reserve		
	Tonnes (Mt)	Grade (g/t Au)	Tonnes (Mt)	Grade (g/t Au)	Tonnes (Mt)	Grade (g/t Au)	Contained Gold (Moz)
New Reserve <sup>(1-5)</sup>	119.5	1.06	110.6	1.17	230.1	1.11	8.2
Previous Reserve <sup>(6)</sup>	125.5	1.04	151.5	1.21	277.0	1.13	10.1

Notes to Table:

- Totals may not equal the sum of the components due to rounding adjustments
- (1) Total includes:  
Open Pit Reserve = 212Mt @ 1.10g/t for 7.5Mozs.  
Underground Reserve = 2.3Mt @ 7.20g/t for 0.5Mozs.  
Stockpiles = 16Mt @ 0.45g/t for 0.2Mozs.
- (2) Based on mined surface as at 30 September 2013 and a gold price of US\$1,300 per ounce.
- (3) Ultimate Open Pit design has a waste to ore ratio of 5:1.
- (4) See additional notes in tables below for the underground and open pit Reserves.
- (5) The change from subsidised to international fuel price has reduced the new Reserve by approximately 1.8Mozs.
- (6) As at 31 December 2011 at US\$1,100 per ounce.

### Open Pit Mineral Reserve by Classification (as at 30 September 2013)

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

Reserve Classification	Tonnes (Mt)	Grade (g/t Au)	Contained gold (Moz)
Proven	112	1.04	3.76
Probable	100	1.16	3.73
Stockpile	16	0.45	0.23
<b>Total</b>	<b>230</b>	<b>1.05</b>	<b>7.70</b>

Notes to Table:

- Totals may not equal the sum of the components due to rounding adjustments.
- Based on mined surface as at 30 September 2013 and a gold price of US\$1,300 per ounce.
- The change from the previous US\$1,100 to US\$1,300 gold price has increased the new Reserve by approximately 0.6Mozs.
- Cut-off grades (gold): CIL oxide 0.20g/t, CIL transitional 0.45g/t, CIL sulphide 0.44g/t, Dump Leach oxide 0.08g/t.
- Designed underground Reserves detailed below do not form part of the Open Pit Reserve.

## Underground Reserve (as at 30 September 2013)

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

Reserve	Tonnes ('000 t)	Grade (g/t Au)	Contained gold ('000 oz)
Proven	520	11.4	191
Probable	1,815	6.0	349
<b>Total</b>	<b>2,335</b>	<b>7.2</b>	<b>540</b>

Notes to Table:

- Totals may not equal the sum of the components due to rounding adjustments.
- Stopes for Reserves are then designed using a 3g/t cut off and mining dilution applied at 15% @ 0.8g/t as all stopes are located in mineralised porphyry and 10% mining loss is then assumed to allow for stope bridges and material left in stopes after mining.

An updated NI 43-101 Resource and Reserve report is expected to be filed by Centamin on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Centamin website at [www.centamin.com](http://www.centamin.com) by 1 February 2014, in accordance with Canadian regulatory requirements.

### 8.3 Centamin's Historic Reserve and Resources – 2011

For the purpose of comparison, only, the Resource and Reserve statements, which relate to the last NI 43-101 technical report, filed at [www.sedar.com](http://www.sedar.com) on 14 March 2012, are also shown below:

#### Total Combined (Open Pit and Underground) Resource for the Sukari Gold Mine (as at 30 September 2011)

	Measured		Indicated		Total Measured & Indicated			Inferred		
Cut-off (g/t)	Tonnes (Mt)	Grade (g/t Au)	Tonnes (Mt)	Grade (g/t Au)	Tonnes (Mt)	Grade (g/t Au)	Gold (Moz)	Tonnes (Mt)	Grade (g/t Au)	Gold (Moz)
<b>0.3</b>	<b>150.04</b>	<b>1.00</b>	<b>238.90</b>	<b>1.08</b>	<b>388.9</b>	<b>1.05</b>	<b>13.13</b>	<b>66.0</b>	<b>1.1</b>	<b>2.3</b>
0.4	120.72	1.16	196.27	1.23	317.0	1.21	12.33	53.0	1.2	2.0
0.5	98.72	1.32	164.85	1.38	263.6	1.36	11.53	43.3	1.4	1.9
0.7	69.57	1.63	120.81	1.67	190.4	1.65	10.10	30.4	1.8	1.8
1.0	44.97	2.06	80.53	2.09	125.5	2.08	8.39	15.1	2.7	1.3

Totals may not equal the sum of the components due to rounding adjustments

Notes to Table:

- Figures in table may not add correctly due to rounding.
- The Resources are estimates of recoverable tonnes and grades using Multiple Indicator Kriging with block support correction.
- Measured Resources lie in areas where drilling is available at a nominal 25 x 25 metre spacing, Indicated Resources occur in areas drilled at approximately 25 x 50 metre spacing and Inferred Resources exist in areas of broader spaced drilling.
- The Resource model extends from 9700mN to 12200mN and to a maximum depth of 2mRL (a maximum depth of approximately 1050 metres below wadi level).
- Proven and Probable ore Reserves are included in Mineral Resources.
- Figures in the table may not add correctly due to rounding and include 321,565 ounces that have been produced since 30 September 2011.

#### Total Combined (Open Pit and Underground) Mineral Reserve for the Sukari Gold Mine (as at 31 December 2011)

	Proven		Probable		Mineral Reserve		
	Tonnes (Mt)	Grade (g/t Au)	Tonnes (Mt)	Grade (g/t Au)	Tonnes (Mt)	Grade (g/t Au)	Contained Gold (Moz)
Reserve <sup>(1-3)</sup>	125.5	1.04	151.5	1.21	277.0	1.13	10.1

Totals may not equal the sum of the components due to rounding adjustments.

Notes to Table:

- Total includes:  
Open Pit Reserves totalling 266.6Mt @ 1.09g/t.  
Underground Reserves totalling 1.1Mt @ 16.30g/t.  
Surface stockpiles totalling 9.4Mt @ 0.57g/t.
- Based on mined surfaced as at 31 December 2011 and a gold price of US\$1,100/oz.
- Ultimate Open Pit design has a waste to ore ratio of 5.6:1.

## 8.4 Egypt

### The Sukari Project

Centamin's principal investment and asset is its interest in the Sukari Project, which is located in the Eastern Desert region of Egypt, about 700 kilometres south of Cairo and approximately 25 kilometres southwest of the Red Sea coastal town of Marsa Alam, as shown in the map below.



A coastal highway runs along the west coast of the Red Sea from the border with Sudan in the south to Suez in the north, passing through Marsa Alam, Qseir, Safaga, Hurghada, Ras Gharib and Ein Sokna. Another highway connects Cairo directly to Ein Sokna. The road trip from Cairo to Marsa Alam takes about ten hours by truck. The project area is accessible by means of a bitumen road connecting Marsa Alam and Idfu that passes within 8 kilometres of the Sukari Project. Thereafter a gravel road leads into the project area.

The town of Marsa Alam is the main supply point. It is a popular holiday resort destination and has an international airport with a 3,000 metre runway that can accommodate Boeing 737, 757 and 767 jets and similar aircraft. During the winter months (October to March) Marsa Alam's average temperature ranges from 18 to 35 degrees celsius. During the summer months (April to September) Marsa Alam's temperature ranges from 20 to 45 degrees celsius. The project is in an area of negligible rainfall and sparse vegetation.

The Sukari Project is located at the southern end of a range of steep granite hills (with a height of up to 350 metres above the wadi floor) and the surrounding wadi (the Arabic term for valleys). There is no permanent population in the immediate area and it has been visited only by people tending nomadic livestock herds in recent times. There were no pre-existing services or infrastructure suitable to support a mining operation of the current magnitude. Access roads, water supply, power supply and distribution have all subsequently been built as part of the Sukari Project. A modern camp facility has been constructed to cater for the operational workforce on a 24 hour basis. Water is piped to site from a series of coastal bores and seawater intake pumps. Power is self-generated onsite.

Sukari Hill is situated within the tenement area and is approximately 2,300m long, 600m wide and 1,345m above sea level at its highest point. Surrounded by wide wadis and mountain ranges, Sukari Hill has hosted ancient mining communities spanning thousands of years from the Pharaohs to the Romans to the British.

#### **Sukari – Ownership Structure and Concession Agreement**

The Sukari Project is operated by SGM, a joint stock company established under the laws of Egypt, which is owned 50% by PGM, a wholly owned subsidiary of Centamin, and 50% by EMRA.

The Sukari Project is defined by an Exploitation Lease over an area of 160km<sup>2</sup>. Title, exploitation and development rights to the Sukari gold mine are granted under the terms of the Concession Agreement promulgated as Law No. 222 of 1994, signed on 29 January 1995. The Concession Agreement was issued by way of Presidential Decree after the approval of the People's Assembly in accordance with the Egyptian Constitution and Law No. 61 of 1958. The Concession Agreement was issued in accordance with the Egyptian Mines and Quarries Law No. 86 of 1956 which allows for the Ministry to grant the right to parties to explore and mine for minerals in Egypt.

The fiscal terms of the Concession Agreement require that PGM solely funds SGM but is entitled to recover the following costs and expenses payable from sales revenue (excluding the royalty payable to the Arab Republic of Egypt (“ARE”)):

- all current operating expenses incurred and paid after the initial Commercial Production;
- exploration costs, including those accumulated to the commencement of Commercial Production (at the rate of 33.3% of total accumulated cost per annum); and
- exploitation capital costs, including those accumulated prior to the commencement of Commercial Production (at the rate of 33.3% of total accumulated cost per annum).

Recovery of capital costs includes interest on a maximum of 50% of investment borrowed from financial institutions not affiliated with PGM provided that PGM shall use best efforts to obtain the most favourable rate of interest, not to exceed LIBOR + 1%. If costs recoverable by PGM exceed the sales revenue (excluding any royalty payable to ARE) in any financial year, the excess is carried forward for recovery in the next financial year or years until fully recovered, but in no case after the termination of the Concession Agreement.

After deduction of the recoverable expenses by PGM, the remainder of the sales revenue from the Sukari Project is shared equally by PGM and EMRA except that for the first and second years in which there are net proceeds for the entire year, an additional 10% of such proceeds are paid to PGM as an incentive (i.e. 60% to PGM and 40% to EMRA), and for each of the next two years in which there are net proceeds for the entire year, an additional 5% of such proceeds are paid to PGM (i.e. 55% to PGM and 45% to EMRA).

Further details of the Concession Agreement are contained in Section 18.8 (Material Contracts).

#### **Development of the Sukari Project**

Construction activities at the Sukari Project commenced in the second quarter of 2007 following completion of a definitive feasibility study in February 2007 and a c.\$151 million equity capital raising in April 2007.

PGM managed construction of the Sukari Project on the basis of individual contracts for engineering, procurement and construction management. PGM employed a strong owner's team to manage the various contractors while performing some functions itself. Construction contracts were a combination of vertical and horizontal packages tendered and awarded in Egypt and certain work such as the equipment refurbishment of the gold processing plant was carried out by PGM utilising direct hired labour and experienced expatriate supervision.

Commissioning of the “Stage 1” (oxide circuit) and “Stage 2” (sulphide circuit) was completed in the first half of 2010. Thereafter, the US\$18m “Stage 3” expansion of the crushing circuit lifted nameplate plant capacity from 4 to 5 million tonnes per annum (“Mtpa”). The rapid optimisation and expansion programme at Sukari has been entirely funded out of the operation's available cash flows and Centamin remains debt and hedge free. Centamin's US\$325 million investment in the “Stage 4” plant expansion to double nameplate capacity to 10Mt per annum commenced in 2011, and is currently in the commissioning phase. The expansion will drive further production growth to the long-term target of 450,000 to 500,000 ounces per annum from 2015 onwards, with an expected mine life of c.20 years. Based on the performance of the existing plant, throughput is expected in due course to exceed nameplate and reach at least 11Mt per annum.

Production to date is summarized in the table below.

	Production (‘000 oz gold)
2010	150.3
2011	202.7
2012	262.8
2013 - Q1*	87.0
2013 - Q2*	93.6
2013 - Q3*	84.8

\* These amounts are unaudited.

As part of the implementation of “Stage 4”, Centamin is in discussions with EMRA and other government departments in relation to securing the necessary permits to increase daily ammonium nitrate consumption and blasting accessories in order to increase open pit mining rates to the required level to feed the extended plant. As part of this process a new blast accessories import permit was granted on 7 April 2013 and whilst the permit for additional daily issue of ammonium nitrate is outstanding, Centamin expects this to be issued by the Egyptian Government.



## **Operational Overview**

### ***Geological Setting***

The rock sequence at the Sukari Project comprises part of the Neoproterozoic Arabian-Nubian Shield, one of a number of areas of African continental crust that accreted and stabilized during the Pan-African Orogeny. At a district scale, the host sequence at the Sukari Project comprises a north-north-east striking mélange of predominantly calcalkaline igneous rocks and metasediments representing an accreted island arc or arcs. Very weak oxidation is generally to a depth of 10 to 20 metres and there is also weak oxidation to 50 metres plus down narrow shear zones and faults. The bulk of the Resource is in fresh unoxidised rock.

### ***Mineralisation***

The Sukari Project gold deposit is a large, sheeted vein-type and brittle-ductile shear zone hosted gold deposit developed in a late to post-orogenic granitoid intrusive complex. Gold mineralisation is hosted exclusively by a granitoid body of approximately granodiorite-tonalite composition referred to as the Sukari Porphyry. Gold mineralisation is intimately related dominantly to sulphides; pyrite is the most abundant sulphide, followed by arsenopyrite. High gold grades are associated with increased arsenopyrite concentration. The sulphides occur as fine grained, subhedral disseminations in altered porphyry and as blebby sub-to euhedral crystals and finer disseminations in quartz veins, fractures and breccias. Visible gold occurs as anhedral grains in milky white extensional and breccia quartz veins and as intergrowths with pyrite and arsenopyrite, commonly in narrow shear veins at quartz vein margins and margins to clasts in hydraulic quartz vein breccias.

The deposit has a strike length of approximately 2,300 metres, and ranges in thickness from 100 metres to approximately 600 metres. Mineralisation has been intersected down dip to depths of 800 metres below the wadi surface level.

The Sukari geological model has been interpreted to have a number of high grade north plunging mineralised zones, as described further in the following underground mine section.

### ***Metallurgy***

Mineralogical investigation has shown that Sukari is a competent, siliceous ore, consisting mainly of quartz. Gold occurs as fine inclusions in pyrite or arsenopyrite, or enclosed in sulphides. Comminution test results show that the ore is competent, abrasive, and hard to grind to its final product size. The results are highly consistent, and indicate a deposit with low variation in its hardness and abrasivity.

There are five different ore type classifications, M1 through to M5, described in the mine model. These classifications are based on degree of oxidation where M5 is completely oxidized and M1 comprises sulphide, unoxidised ore. Approximately 90% of the deposit has been classified as M1 or M2.

### ***Mining***

The Sukari Project has both an open pit and underground mining operation. Ore and waste is mined using conventional open pit mining methods. The operation utilises selective mining techniques to separate ore and waste, with provision made for drilling and blasting all primary and oxide materials. Ore is hauled to the run of mine pad next to the processing plant and either directly tipped to the crusher or stockpiled for future reclaim.

Mining is currently progressed at an increased rate compared to processing. Operating at an increased mining rate allows the cutoff grade for feed to the plant to be increased in the early years of the schedule. This in turn increases the metal output and project revenue in these early years, thus increasing the discounted operating surplus cash flow. According to current schedules, the low-grade stockpile produced as a result of applying an elevated cutoff grade, will be processed after mining has ceased and will be carried out exclusively over the last six years of project life.

Centamin owns and operates its load and haul mining fleet. The production fleet is based on 380t class excavators and 150t class rigid body trucks. As part of the "Stage 4" expansion, a fleet of 48 x 150t class trucks will be used with four additional loading units.

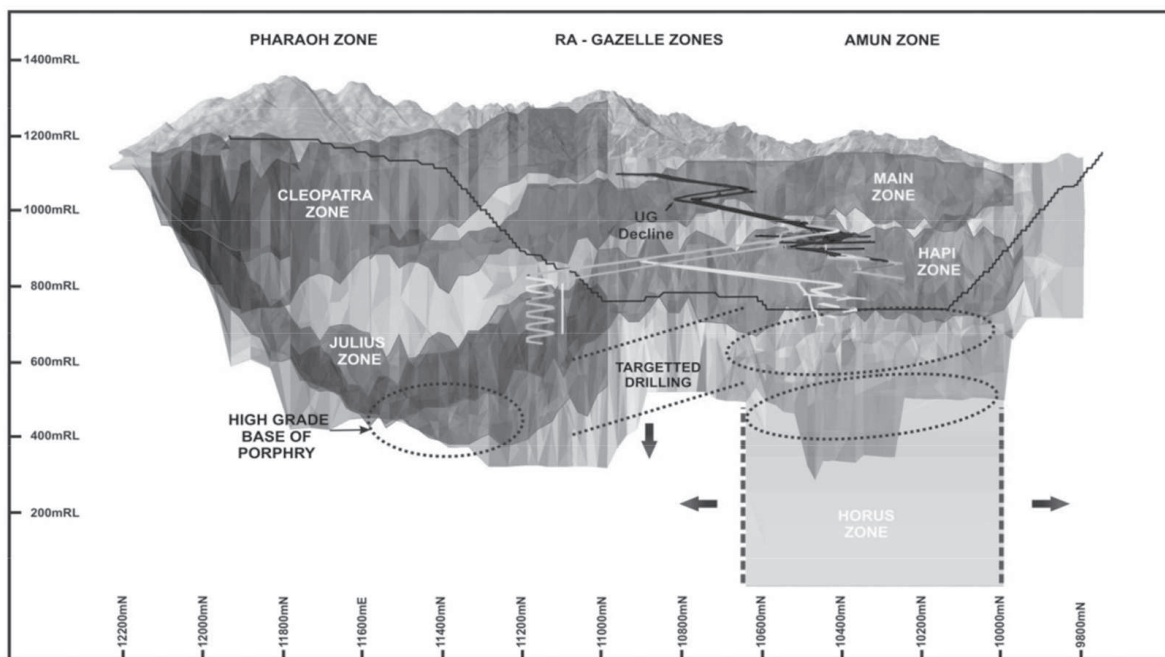
### Open Pit Mine

The open pit at Sukari is operated by SGM and has a mine life of c.20 years as at December 2013.

As at 30 September 2013, for the 2013 calendar year-to-date, the open pit had delivered total material movement for the year-to-date of 32.1Mt and mining faces had been opened up in the pit's "Stage 3" development. Ore production was at 8.5Mt at 0.84g/t, with an average head grade to the plant of 1.26g/t and the ROM ore stockpile balance was 1,536kt.

### Underground Mine

The Sukari geological model has been interpreted to have a number of high grade north plunging mineralised zones, associated with the base of the Hapi Zone shape and intersecting high grade west dipping structures. A further large zone has been named Horus and is a large low grade feature identified as the continuation to depth of the porphyry mass dislocated to the west by thrust faulting. This is directly below the current Amun decline.



The underground operation is limited by loss of access by the interaction with the current "Stage 5" pit design in 2018. At this time the Amun decline will cease to be operable when the base of the current "Stage 5" design breaks into the decline and short-circuits the exhaust system. For underground production to continue past this time, an alternative access is being developed - the Ptah Decline (shown in light line on the above long-section).

The Ptah decline replaces a portion of the Amun decline below the 937 crosscut with a permanent access to extract the lower Amun zone, and provides access to drill and potentially exploit Horus, and in the longer term to potentially exploit the high grade northern keel Resource.

A combined decline will be developed to the 780 mRL prior to splitting to a northern and southern access declines. Phase 1 of this development will provide early drilling platforms to confirm mineralised shapes and allow the generation of Measured Mineral Resources to the north and at depth.

The Ptah decline addresses these Resource options in a staged approach, with a number of critical points identified before developing the next phase of the development. There are significant high grade intersections to the north and outside of the current ultimate pit shell and Resource shapes that are the targets for this development.

All underground mining at Sukari is performed using contract mining with Barmenco. Further details of this contract are contained in Section 18.8 (Material Contracts).

As at 30 September 2013, for the 2013 calendar year-to-date, ore production from the underground mine was 413kt, with a head grade of 10.25g/t and with development ore comprising 53% of total underground ore mined.

Over the next two years, the Ptah decline will take underground activity away from the open pit shell and allow Centamin to maintain two separate underground production sources once the Amun Decline becomes part of the open pit.

## Processing

The process route entails:

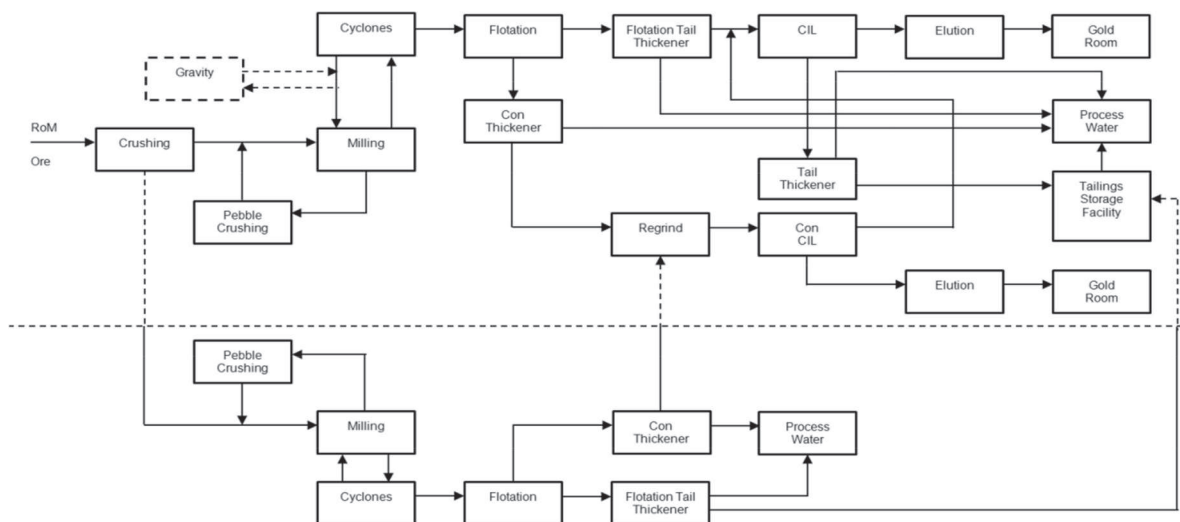
- CIL plant two-stage crushing process;
- stockpiling crushed ore;
- grinding;
- flotation of a (bulk sulphide) concentrate containing the precious metals;
- thickening of the concentrate;
- fine milling of the concentrate;
- leaching the precious metals from the concentrate in a dilute cyanide solution;
- adsorbing the precious metals onto activated carbon;
- stripping the precious metals from the carbon;
- recovering the precious metals as gold dore; and
- placing the concentrate tailing in the tailings storage facility.

In addition, Centamin operates a dump leach facility for low grade oxidised ore where the leach solution is fed into the CIL recovery circuit at the main plant.

Tailings from the treatment of weathered oxide ore early in the mining schedule contain too much gold to discard. Hence, the bulk flotation tail is further treated by:

- thickening;
- leaching the precious metals into a dilute cyanide solution;
- adsorbing the precious metals onto activated carbon;
- stripping the precious metals from the carbon;
- recovering the precious metals as gold dore; and
- placing these tailings in the tailings storage facility.

“Stage 3” Processing (existing plant)



“Stage 4” Expansion

“Stage 4” expansion will incorporate additional milling, flotation and thickening capabilities to provide a parallel processing route, as well as upgrade to the existing regrind circuit. Secondary crushed ore with a P80 of 50mm will be transferred to a second crushed ore stockpile prior to grinding through a new milling circuit. The new milling circuit will be a two stage circuit, consisting of a SAG mill and ball mill, with hydrocyclone classification and a pebble crushing facility.

Milled ore with a particle size of 150µm will be sent to a new flotation circuit to recover the sulphide concentrate. The concentrate will be thickened and discharged to an upgraded regrind circuit, capable of treating up to 100tph of concentrate to achieve a final milled particle size of 10µm. The regrind circuit will combine the two concentrate streams from each of the separate flotation circuits. The regrind product will be treated through the two CIL circuits in series to maximise leach circuit residence time.

The flotation tails of the new circuit will be thickened and discharged to the tailings storage facility. It is expected that the ore treated through the new flotation circuit will be predominantly sulphide based ore, amenable to recovery by flotation. Any ore that may be oxide or transitional in nature will be treated through the existing processing circuit by adjustment of the crushed ore product splits to each of the crushed ore stockpiles.

Process water is drawn from the Red Sea. The seawater is pumped approximately 25 km to the mine site to satisfy all process plant and mining requirements. Most of the seawater is pumped into a raw water pond located near the processing plant, whilst around 500m<sup>3</sup>/day is pumped to a water treatment plant for potable and fresh water supplies.

Power is generated on site by two power stations a 35MW MAK and a 42MW Wartsila power station, operated on diesel fuel oil.

As at 30 September 2013, for the 2013 calendar year-to-date, throughput at the Sukari process plant was 4,284kt, with metallurgical recoveries of 88.1%. The dump leach operation had also produced 8,252oz gold for the year-to-date, as at 30 September 2013, with the total ore placed on the dump leach to date, being approximately 8.8Mt at 0.46 g/t.

### **Environmental**

In 2006, PGM commissioned Environics, Giza, Egypt to complete an Environmental and Social Impact Study (“**ESIA**”) for the Sukari Project in accordance with the Equator Principles and the International Finance Corporation requirements. The ESIA was completed in February 2007 and submitted to the EEAA through the Egyptian Mineral Resources Agency in March 2007. The ESIA was approved by the EEAA in April 2007. Public consultation meetings were held in Marsa Alam during the course of preparation of the ESIA. All concerns raised were satisfactorily answered or mitigated and no significant objections are outstanding. Public consultation meetings will continue during the operation of the Sukari Project. A grievance mechanism is in place that allows direct communication between the local community and mine management at any time, independently of the meeting schedules.

An environmental policy has been established with the aim of ensuring environmental protection and sustainable development. The policy is based on pollution prevention and abatement approaches to protect the environment, community and indigenous people.

The environmental management scheme for the Sukari Project includes a monitoring program designed to evaluate compliance with local environmental laws and regulations, company policies and international best practices. It provides information for periodic review and adjustment of the environmental management plan ensuring that environmental protection is achieved through early detection and mitigation of negative environmental impacts.

### **Exploration Activities**

#### ***Growth of Sukari Hill***

The main focus of exploration to date has been on the Sukari porphyry. Surface drilling in 2013 continued in the northern Pharaoh zone. Underground drilling was progressively stepped-up during the year with four drilling rigs operating as new development provided improved access from below surface to test potential high grade extensions of the deposit. The ore body has not yet been closed off by drilling to the north, or at depth.

Further exploration of the Sukari deposit will continue, predominantly via underground drilling from both the Amun and Ptah declines in order to continue to expand the high-grade and underground mineable sections of the ore body.

#### ***Regional exploration***

Seven other prospects besides Sukari Hill have been identified on the 160km<sup>2</sup> Sukari tenement area and exploration is being conducted under the principle that ore from these prospects would be trucked to the existing processing plant.

Geochemistry, reverse circulation and diamond drilling programmes have been underway on the Quartz Ridge and V-Shear prospects to the east and north-east of Sukari Hill respectively during 2013. The first significant signs of low grade porphyry away from Sukari Hill were identified at the V-Shear prospect. On-going drilling to the south at the Kurdeman prospect offers the potential to fast-track near surface high grade ore to supplement the existing production.

### ***The Path Through Sukari's Investment Phase – 2006 to 2013***

- 2006 April 2006: Sukari Resource rose to 3.56Moz Measured & Indicated, and 2.2Moz Inferred  
October 2006: Centamin acquired the Kori Kollo processing plant from Newmont Mining Corporation for US\$11 million.
- 2007 February 2007: Centamin approved the feasibility study for Sukari.  
April 2007: Centamin listed on the TSX.  
Q2 2007: The EEAA approved the Sukari project and construction began  
September 2007: Sukari Resource rose to 7.46Moz Measured & Indicated and 3.7Moz Inferred.
- 2008 February 2008: Centamin discovered a new high grade zone below Amun deeps.
- 2009 February 2009: Blasting and mining activities commenced.  
April 2009: Sukari Reserve rose to 6.4Moz (from 3.7Moz).  
June 2009: First gold bar poured at Sukari.  
November 2009: Centamin migrated from AIM to the Main Market of the LSE.
- 2010 January 2010: Gold exports from Sukari commenced.  
April 2010: The start of commercial production at Sukari.  
June 2010: Centamin became a constituent of the FTSE250.  
December 2010: Centamin delivered 150,289 ounces of gold in its maiden year of production.
- 2011 May 2011: Commissioning of the “Stage 3” plant expansion to 5 million tonnes per annum (from 4Mtpa).  
July 2011: Centamin acquired Sheba to diversify exploration into Ethiopia.  
Q2 2011: Sukari underground began production. “Stage 4” plant expansion to 10Mtpa approved.  
December 2011: The Centamin Group successfully implemented a scheme of arrangement whereby Centamin plc, a company incorporated in Jersey, became the ultimate holding company for the Centamin Group.
- 2012 May 2012: Optimised open pit plan released.  
December 2012: Centamin delivered 262,828 ounces of gold in its third year of production
- 2013 Q1 2013: Sukari process plant throughput exceeds 5Mtpa nameplate capacity (5.6Mt annualised rate) for the first time.  
December 2013: Joint announcement of a recommended off-market Offer for Ampella by Centamin.

## **8.5 Ethiopia**

In Ethiopia, Centamin has developed a portfolio of exploration opportunities through tenements in Northern Ethiopia, held by its wholly owned subsidiary, Sheba and in Western and Southern Ethiopia through a recent joint venture with AIM listed, Alecto. Centamin also has a c.12% interest in Nyota, which is interested in the Tulu Kapi advanced exploration project in Ethiopia.

### **Alecto Minerals Joint Venture**

The Alecto joint venture provides Centamin with the opportunity to farm-in up to an initial 70% interest in new exploration opportunities identified by Alecto in Ethiopia, with two initial projects at Wayu Boda and Aysid-Metekel. Centamin acts as the operator of the joint venture projects, with responsibility for the technical work programmes and budgets.

#### ***Wayu Boda***

The 945.5km<sup>2</sup> Wayu Boda project is located on the Adola Greenstone belt in southern Ethiopia, which is known to host significant deposits of gold including Midroc's Lega Dembi mine, which has an annual production in excess of 100,000 ounces, 83km to the north east. The project is 24km south of the privately owned National Mining Corporation's 'Dawa' discovery which has recently undergone a primary economic assessment.

Occasional pits target the host rock itself and notably grades of up to 47.4 g/t of gold have been reported from rock chip sampling and trenching in these areas. Trenching demonstrated that although the grade is lower at surface, the high grades recovered by the artisanal miners from the deeper working are encouraging and will be investigated further through drilling. In terms of the wider licence area, Centamin plans to broaden its exploration activities going forward to identify further possible targets.

At Wayu Boda, Centamin is required to fund US\$1.8 million to maintain an initial 51% interest, and has the option to fund up to a further US\$6 million to increase its interest to 70%.

#### ***Aysid-Metekel***

The 1,953km<sup>2</sup> Aysid-Metekel gold exploration licence is located in a mineral rich region and approximately 80km from the Fiti skarn gold deposit discovered by MIDROC Gold Mine plc. There are significant artisanal workings throughout the tenement.

At Aysid-Metekel, Centamin is required to fund US\$1.2 million to maintain an initial 51% interest, and has the option to fund up to a further US\$5 million to increase its interest to 70%.

### **8.6**

#### **Australia**

Through its wholly owned subsidiary, Viking Resources Limited, Centamin retains the right to a royalty over the Nelson's Fleet gold project near St Ives, Western Australia, from the St. Ives Gold Mining Co Pty Ltd, a subsidiary of Gold Fields Ltd. Centamin has not been informed of any mining of the tenement to date.



## 9.1 Introduction

This Section 9.1 provides an overview of the effects of the Offer on Centamin, based on the reviewed consolidated statements of financial position for each of Centamin and Ampella as at the half year ended 30 June 2013 assuming the completion of the transaction as at that date.

This Section 9.1 should be read in conjunction with the underlying reviewed financial information from which it is derived, the risk factors set out in Section 6, the accounting policies of Centamin (as set out in Centamin's annual report for the year ended 31 December 2012) and other information contained within this Bidder's Statement.

This Section 9.1 also sets out information regarding:

- (1) general assumptions underlying the preparation of the Combined Group unaudited pro forma statement of financial position as at 30 June 2013 (adjusted for the Offer) set out in Section 9.2 below; and
- (2) other relevant considerations.

The Combined Group unaudited pro forma statement of financial position as at 30 June 2013 ("the **financial information**") has been prepared for illustrative purposes only and has been prepared on an abbreviated basis. It does not contain all the disclosures usually provided in an annual report prepared in accordance with the Companies (Jersey) Law or the Corporations Act in Australia.

As Ampella has not commenced mineral production, the Historical Income Statements of Ampella mainly comprise of exploration and development expenditure.

Further information in relation to the historic financial performance, cash flows and financial position of Centamin and Ampella can be obtained from their respective annual reports for the year ended 31 December 2012 and their half-year reports for the half-year ended 30 June 2013 which can be found on the websites [www.centamin.com](http://www.centamin.com) and [www.ampella.com.au](http://www.ampella.com.au) respectively.

Centamin and Centamin West Africa have given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information in relation to the Combined Group. The Centamin West Africa Directors have concluded that forecast financial information would be misleading to provide, as a reasonable basis does not exist for producing forecasts that would be sufficiently meaningful and reliable, particularly considering the large effect that variations in key variable inputs, most of which are outside the control of Centamin and Centamin West Africa, may have on the future financial position of the Combined Group. Key variable inputs include foreign exchange rates, fluctuations in commodity prices, the timing and level of capital and exploration, expenditure and production costs related to development and operating activities. Accordingly, this Bidder's Statement does not include any historical or financial forecasts or projections for revenue or profit in relation to Centamin, Ampella or the Combined Group. Accordingly, the Bidder's Statement does not include any historical or financial forecasts or projections for revenue or profit in relation to Centamin, Centamin West Africa or Ampella or statement of financial performance or financial information for Centamin, Centamin West Africa or Ampella or the Combined Group.

Pro forma adjustments and assumptions have been made to present the Combined Group unaudited pro forma consolidated statement of financial position as at 30 June 2013 (adjusted for the Offer). Acquisition accounting entries have been made, consistent with the terms of the Offer and the assumptions set out in Section 9.2 below, in order to arrive at the Combined Group unaudited pro forma consolidated statement of financial position. It is assumed that the acquisition will be accounted for as a business combination in accordance with IFRS 3.

The Centamin Directors and the Centamin West Africa Directors will undertake a comprehensive assessment of the fair value of the assets and liabilities acquired after the transaction has completed.

The Combined Group unaudited pro forma consolidated statement of financial position is indicative only. The Centamin West Africa Directors have drawn their own conclusions based on the known facts and other information publicly available. If the facts, circumstances, assumptions or other information should prove to be different to that described, the conclusions may change accordingly. All adjustments have been made in accordance with IFRS.

## 9.2 Combined Group unaudited pro forma consolidated statement of financial position

The Combined Group unaudited pro forma consolidated statement of financial position has been compiled based on:

- (1) Centamin's ("CEY") reviewed consolidated statement of financial position as at 30 June 2013;
- (2) Ampella's ("AMX") unaudited pro forma consolidated statement of financial position as at 30 June 2013 (See Section 9.5); and
- (3) The Pro Forma adjustments and assumptions as a result of the Offer required to give effect to certain pro forma transactions including the acquisition of Ampella.

	Reviewed CEY 30 June 2013 US\$'000	Unaudited Pro forma AMX 30 June 2013 US\$'000	Pro forma Adjustments US\$'000	CEY Unaudited Pro forma Consolidated 30 June 2013 US\$'000	Notes
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	873,395	1,864	-	875,259	
Exploration and evaluation asset	56,158	-	-	56,158	
Mineral rights	-	-	34,710	34,710	2(e & g)
Available-for-sale financial assets	2,132	-	-	2,132	
Interests in associates	1,620	-	-	1,620	
Other non-current assets	-	475	-	475	
Prepayments	8,200	-	-	8,200	
<b>Total non-current assets</b>	<b>941,505</b>	<b>2,339</b>	<b>34,710</b>	<b>978,554</b>	
<b>CURRENT ASSETS</b>					
Inventories	105,219	43	-	105,262	
Trade and other receivables	38,311	184	-	38,495	
Prepayments	1,375	100	-	1,475	
Cash and cash equivalents	114,615	3,147	(1,854)	115,908	2(f)
Term deposits	-	9,131	-	9,131	
<b>Total current assets</b>	<b>259,520</b>	<b>12,605</b>	<b>(1,854)</b>	<b>270,271</b>	
<b>Total assets</b>	<b>1,201,025</b>	<b>14,944</b>	<b>32,856</b>	<b>1,248,825</b>	
<b>NON-CURRENT LIABILITIES</b>					
Deferred tax liability	-	-	8,010	8,010	2(g)
Provisions	5,826	-	-	5,826	
<b>Total non-current liabilities</b>	<b>5,826</b>	<b>-</b>	<b>8,010</b>	<b>13,836</b>	
<b>CURRENT LIABILITIES</b>					
Trade and other payables	54,820	3,087	-	57,907	
Tax liabilities	-	-	-	-	
Provisions	959	426	-	1,385	
<b>Total current liabilities</b>	<b>55,779</b>	<b>3,513</b>	<b>-</b>	<b>59,292</b>	
<b>Total liabilities</b>	<b>61,605</b>	<b>3,513</b>	<b>8,010</b>	<b>73,128</b>	
<b>Net assets</b>	<b>1,139,420</b>	<b>11,431</b>	<b>24,846</b>	<b>1,175,697</b>	
<b>EQUITY</b>					
Issued capital	612,463	112,130	(74,094)	650,499	2(e & f)
Share option reserve	4,622	8,003	(8,003)	4,622	
Other reserves	-	2,426	(2,426)	-	
Accumulated profits/ (losses)	522,335	(111,128)	109,369	520,576	2(e & f)
<b>Total equity</b>	<b>1,139,420</b>	<b>11,431</b>	<b>24,846</b>	<b>1,175,697</b>	

Centamin's historical consolidated statements of financial position have been produced in accordance with International Financial Reporting Standards ("IFRS") adopted by the European Union ("EU IFRS") and the accounting policies of Centamin as set out in Centamin's annual report for the year ended 31 December 2012. The interim financial statements for the half year ended 30 June 2013 were reviewed and the review statement dated 14 August 2013 was unqualified. The historical audited and reviewed consolidated financial statements including the statements of financial position, statements of comprehensive income, statements of changes in equity and statements of cash flows for the half year ended 30 June 2013 can be found on the Centamin's website at [www.centamin.com](http://www.centamin.com).

### 9.3 Pro forma adjustments and assumptions

The following adjustments and assumptions have been made in the preparation of the Combined Group unaudited pro forma consolidated statement of financial position:

- (1) The acquisition of Ampella for a total consideration of US\$38.1 million excluding costs of acquisition (See Section 9.3(2)(f)).

In accordance with IFRS 3, Centamin West Africa has been identified for accounting purposes as the acquirer in the business combination of Centamin West Africa and Ampella. Accordingly the fair value of the consideration has been determined by Centamin West Africa and Centamin West Africa is required to measure Ampella's identifiable assets, liabilities and contingent liabilities at their fair value as at the date of acquisition. As the date of acquisition will be different to the date assumed for the purposes described here the actual results will differ from those presented in the Combined Group unaudited pro forma statement of financial position as at 30 June 2013.

The assumed acquisition consideration for the Combined Group unaudited pro forma statement of financial position as at 30 June 2013 has been calculated based on the terms of the Offer by Centamin as follows:

Number of Ampella Shares on Issue as at 2 January 2014	254,302,883*
Number of Ampella Shares to be acquired	254,302,883*
Number of Centamin Shares offered for every Ampella Share	0.20
<b>Total Number of Centamin Shares Issued</b>	<b>50,860,577</b>
Fair Value of Centamin Shares as at 2 January 2014 US\$/share	0.75
Share Consideration US\$	38,131,336
<b>Fair Value of Consideration US\$</b>	<b>38,131,336</b>

\* This number assumes that all Ampella Performance Rights have vested in accordance with the terms of the Employee Performance Rights Plan. It also assumes that 1,500,000 Ampella Shares issued under the Ampella Employee Share Acquisition Plan are cancelled, as discussed further in Section 13.3.

The acquisition consideration is subject to change as the final number of Ampella Shares on issue and the value of the Centamin Shares to be issued to effect the acquisition will be determined at the actual date of acquisition.

- (2) The fair value of the identifiable assets, liabilities and contingent liabilities are subject to change following a detailed assessment of the fair values at the time of acquisition of Ampella Shares which will be undertaken subsequent to the actual acquisition date. For the purposes of the preparation of the Combined Group unaudited pro forma statement of financial position the Centamin West Africa Directors have assumed the following:
- Inventories have not been adjusted as the Centamin West Africa Directors do not have sufficient information from which to estimate fair value. The allocation of fair value to inventories will be required on completion of the acquisition.
  - The Centamin West Africa Directors have assumed that the book value of the property, plant and equipment is indicative of fair value as detailed valuations have not been performed. The allocation of fair value will be revisited on completion of a detailed fair value exercise.
  - The Centamin West Africa Directors have allocated the excess of the fair value of the consideration of US\$38.1 million over the fair value of the identifiable assets, liabilities and contingent liabilities acquired to mineral rights. The Centamin West Africa Directors have only had access to publicly available information in respect of Ampella which does not allow the identification of intangible assets, mineral rights and any resulting goodwill that may be acquired as part of the business combination and may be subsequently required to be recognised.
  - On completion of the detailed fair value exercise subsequent to acquisition, certain intangible assets may be identified and recorded separately. This may also result in the recognition of additional deferred tax liabilities. Further, any intangible assets with a finite life identified in the business combination will be required to be amortised over their useful life.

- (e) The premium on acquisition of Ampella has been calculated as follows:

	US\$'000
<b>Fair Value of Consideration (See Section 9.3(1))</b>	<b>38,131</b>
Current assets	12,605
Non current assets	2,339
Current liabilities	(3,513)
Mineral rights	26,700
<b>Fair Value of Assets and Liabilities Acquired</b>	<b>38,131</b>

- (f) Transaction Costs are assumed to be US\$1.9 million. Of the US\$1.9 million, US\$0.10 million is attributable to the share issuance and accordingly recorded as a reduction to issued capital.
- (g) The Centamin West Africa Directors have assumed that a deferred tax liability will arise for the full value of the uplift to the mine assets based on the limited information available and accordingly have recorded a deferred tax liability of US\$8,010 thousand.

#### 9.4 Effect on capital structure of Centamin

There are a range of factors that may impact the number of Centamin Shares that will be on issue following completion of the Offer, including:

- (1) the number of acceptances of the Offer;
- (2) the number of Ampella Options, Ampella Performance Rights exercised into Ampella Shares or which vest during the Offer Period (if any) and the number of Centamin Shares otherwise issued by Centamin during the Offer Period (if any);
- (3) Assuming that:
  - (a) the Offer is accepted in respect of all Ampella Shares on issue as at the date of this Bidder's Statement;
  - (b) all Ampella Performance Rights vest during the Offer Period and the Offer is accepted in respect of all of those Ampella Shares issued on the vesting of the Ampella Performance Rights;
  - (c) no person who accepts the Offer is treated as an Ineligible Foreign Shareholder for the purposes of the Offer; and
  - (d) no Centamin Shares are issued prior to the Consideration Shares being provided to all Ampella Shareholders who have accepted the Offer,

a maximum of 49,100,099 Consideration Shares will be issued to Ampella Shareholders under the Offer (subject to rounding) or a maximum of 50,860,577 if all Ampella Performance Rights vest and the holders are issued Centamin Shares, resulting in the number of Centamin Shares on issue increasing to 1,150,497,480 or 1,152,257,958. These Consideration Shares would represent approximately 4.3% or 4.4% of the total number of Centamin Shares on issue at that time.

The above scenario is an example only and is not the only scenario that may eventuate.

#### 9.5 Ampella unaudited pro forma consolidated statement of financial position as at 30 June 2013

The unaudited pro forma consolidated statement of financial position has been compiled based on:

- (1) Ampella's reviewed consolidated statement of financial position as at 30 June 2013 extracted from the interim financial report for the half year ended 30 June 2013 dated 9 September 2013; and
- (2) Pro forma adjustments and assumptions (See Notes below).

	Reviewed AMX 30 June 2013 A\$'000	Pro forma Adjustments A\$'000	Notes	Unaudited AMX 30 June 2013 A\$'000	Unaudited AMX 30 June 2013 US\$'000 (a)
<b>Current Assets</b>					
Cash and cash equivalents	11,488	(7,957)	(c),(d)	3,531	3,147
Term deposits	10,247	-		10,247	9,131
Other receivables	318	(112)	(e)	206	184
Prepayments	-	112	(e)	112	100
Inventories	49	-		49	43
<b>Total current assets</b>	<b>22,102</b>	<b>(7,957)</b>		<b>14,145</b>	<b>12,605</b>
<b>Non-Current Assets</b>					
Property, plant and equipment	1,957	135	(b)	2,092	1,864
Intangible assets – computer software	135	(135)	(b)	-	-
Exploration and evaluation asset	-	-		-	-
Other non-current assets	533	-		533	475
<b>Total non-current assets</b>	<b>2,625</b>	<b>-</b>		<b>2,625</b>	<b>2,339</b>
<b>Total assets</b>	<b>24,727</b>	<b>(7,957)</b>		<b>16,770</b>	<b>14,944</b>
<b>Current Liabilities</b>					
Trade and other payables	3,464	-		3,464	3,087
Provisions	479	-		479	426
<b>Total current liabilities</b>	<b>3,943</b>	<b>-</b>		<b>3,943</b>	<b>3,513</b>
<b>Total liabilities</b>	<b>3,943</b>	<b>-</b>		<b>3,943</b>	<b>3,513</b>
<b>Net assets</b>	<b>20,784</b>	<b>(7,957)</b>		<b>12,827</b>	<b>11,431</b>
<b>Equity</b>					
Share capital	125,819	-		125,819	112,130
Options reserve	8,980	-		8,980	8,003
Plan shares reserve	2,723	-		2,723	2,426
Accumulated losses	(116,738)	(7,957)	(c),(d)	(124,695)	(111,128)
<b>Total equity</b>	<b>20,784</b>	<b>(7,957)</b>		<b>12,827</b>	<b>11,431</b>

The historical audited and reviewed consolidated financial statements including the statements of financial position, statements of comprehensive income, statements of changes in equity and statements of cash flows for the half-year ended 30 June 2013 can be found on Ampella's website at [www.ampella.com.au](http://www.ampella.com.au). The financial statements have been prepared under Australian equivalents to International Financial Reporting Standards ("A-IFRS"). Compliance with A-IFRS ensures that the financial statements comply with IFRS. The interim financial statements for the half-year ended 30 June 2013 were reviewed and the review statement dated 9 September 2013 was unqualified.

#### Pro forma adjustments and assumptions

- The Ampella financial statements have a functional currency of Australian dollars. For the purposes of the pro forma consolidated statement of financial position, the statement of financial position of Ampella has been translated to United States dollars using the 2 January 2014 closing foreign exchange rate from the Reserve Bank of Australia of 0.8912, being the latest practicable date prior to the publication of this Bidder's Statement.
- For the purposes of the consolidated pro forma accounts, intangible assets have been reclassified to property, plant and equipment.
- Ampella has incurred costs of approximately A\$6,457 thousand in relation to its activities from 1 July 2013 to 30 November 2013. The Ampella accounting policy is to expense these costs directly to the profit & loss.
- Ampella will incur approximately A\$1,500 thousand in relation to material diminution of role clauses and change in control event payouts.
- Prepayments have been separately disclosed in line with the presentation of Centamin's statement of financial position.

The following Management's Discussion and Analysis of the Financial Condition and Results of Operations ("MD&A") for Centamin, which has been extracted from the results of Centamin for the Third Quarter and Nine Months Ended 30 September 2013 published on Centamin's website at [www.centamin.com](http://www.centamin.com) on 6 November 2013, should be read in conjunction with the unaudited condensed consolidated financial statements for the three and nine months ended 30 September 2013 and related notes thereto, prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") contained in Annexure G. These results are provided in this Bidder's Statement for reference only to assist Ampella Shareholders to make an informed decision about the assets and liabilities of the Centamin Group and have not been reviewed or audited by Centamin's auditors and do not constitute a preliminary statement of Centamin's annual results. For more information see 'Basis of preparation' in Note 1 to the interim condensed consolidated financial statements for the quarter and nine months ended 30 September 2013 contained in Annexure G.

All amounts in this MD&A are expressed in United States dollars unless otherwise identified.

### 10.1 Overview

Centamin is a mining company that has been actively exploring in Egypt since 1995. Centamin's principal asset is its interest in the large scale, low cost Sukari gold mine, located in the Eastern Desert of Egypt. Sukari produced 150,000 ounces of gold in its maiden year of production in 2010, consistently expanding thereafter to reach over 260,000 ounces in 2012. The "Stage 4" plant expansion program commenced in 2011 to target 450-500,000 ounces per annum production from 2015 onwards.

The Sukari gold mine is the first large-scale modern gold mine in Egypt. Centamin's operating experience in Egypt gives it a significant first-mover advantage in acquiring and developing other gold projects in the prospective Arabian-Nubian Shield.

In 2011 the Centamin Group acquired, through Sheba, four mineral licences in Ethiopia where it is conducting further exploration activities. In addition, Centamin holds (as at the date of this Bidder's Statement) a shareholding of c.12% in Nyota, which has contractual rights to the Tulu Kapi advanced exploration project in Ethiopia.

In September 2013, the Centamin Group entered into a joint venture with Alecto to pursue existing and new opportunities identified by Alecto in Ethiopia. The initial joint venture projects relate to two exploration licenses, Wayu Boda and Aysid Meketel.

### 10.2 Accounting for SGM

The operating company of Sukari, SGM, is jointly owned by PGM, a wholly-owned subsidiary of Centamin, and EMRA on a 50% equal basis. For accounting purposes, SGM is 100% proportionately consolidated within the Centamin Group reflecting the substance and economic reality of the Concession. Pursuant to the Concession Agreement, the provisions of which are described more fully below, PGM solely funds SGM's activities. PGM is also entitled to recover the following costs and expenses payable from sales revenue (excluding the royalty payable to the ARE): (a) all current operating expenses incurred and paid after the initial Commercial Production; (b) exploration costs, including those accumulated to the commencement of Commercial Production (at the rate of 33.3% of total accumulated cost per annum); and (c) exploitation capital costs, including those accumulated prior to the commencement of Commercial Production (at the rate of 33.3% of total accumulated cost per annum).

Since the commencement of Commercial Production on 1 April 2010, the cash flows generated by SGM through the sale of gold have been used to fund the on-going operating expenses incurred in its own right and to fund the cost recovery due to PGM for exploration and exploitation capital costs at a rate of 33.3% of total accumulated cost per annum.

In return, on-going capital expenditure incurred in connection with the Sukari mine is funded solely by PGM out of cash flows received from SGM through the cost recovery process as described above. The expenditure incurred by PGM in relation to "Stage 4" will become recoverable once the infrastructure has been commissioned, which is currently planned at the end of 2013, at the rate of 33.3% of total accumulated cost per annum.



EMRA is entitled to a share of SGM's net production surplus "profit share" (defined as revenue less payment of the 3% production royalty to ARE and recoverable costs). Based on Centamin's calculation there was no Net Profit Share due to EMRA as at 30 June 2012 or 30 June 2013, although an advance payment of \$US8.2 million was made to EMRA during the first quarter of 2013, as a gesture of goodwill, which will be netted off future profit share that becomes payable.

Separate accounts are prepared in respect of SGM. These are independently audited and certified by Egyptian certified accountants approved by EMRA. Any expected profit share payable to EMRA and PGM becomes payable on completion of the audit of the SGM accounts. Centamin will be working together with EMRA to ensure that these can be approved as soon as possible so that the profit share can be paid to EMRA and PGM.

### 10.3 Unaudited Condensed Consolidated Statement of Comprehensive Income

	Three Months Ended 30 September		Change		Nine Months Ended 30 September		Change	
	2013	2012			2013	2012		
	US\$'000	US\$'000	US\$'000	%	US\$'000	US\$'000	US\$'000	%
Revenue	120,129	103,130	16,999	16%	392,625	287,639	104,986	36%
Cost of sales	(73,345)	(41,097)	32,248	78%	(205,063)	(123,455)	81,608	66%
Gross profit	46,784	62,033	(15,249)	(25%)	187,562	164,184	23,378	14%
Finance income	146	171	(25)	(15%)	568	820	(252)	(31%)
Other operating costs	(17,250)	(2,492)	14,758	592%	(34,832)	(12,352)	(22,480)	182%
<b>Profit before tax</b>	<b>29,680</b>	<b>59,712</b>	<b>(30,032)</b>	<b>(50%)</b>	<b>153,298</b>	<b>152,652</b>	<b>646</b>	<b>&lt;1%</b>
Tax	(4)	444	(448)	(101%)	(4)	444	(448)	(101%)
<b>Profit for the period attributable to Centamin</b>	<b>29,676</b>	<b>60,156</b>	<b>(30,480)</b>	<b>(51%)</b>	<b>153,294</b>	<b>153,096</b>	<b>198</b>	<b>&lt;1%</b>
<b>Other comprehensive income</b>								
Gains/(losses) on available for sale financial assets (net of tax)	31	95	(64)	(67%)	(5,156)	(433)	(4,723)	(1,091%)
Losses on available for sale financial assets transferred to profit (net of tax)	11,917	-	11,917	100%	11,917	-	11,917	100%
Other comprehensive income for the period	11,948	95	11,853	(12,477%)	6,761	(433)	7,194	1,661%
<b>Total comprehensive income attributable to Centamin</b>	<b>41,624</b>	<b>60,251</b>	<b>(18,627)</b>	<b>(31%)</b>	<b>160,055</b>	<b>152,663</b>	<b>7,392</b>	<b>5%</b>
<i>Earnings per share</i>								
- Basic (cents per share)	2.722	5.527			14.063	14.012		
- Diluted (cents per share)	2.698	5.522			14.000	14.005		

#### (1) Three months ended 30 September 2013 compared to the three months ended 30 September 2012

*Revenue* reported comprises proceeds from gold sales and silver sales. Revenue has increased by 16% to US\$120.1 million, a result of a 49% increase in gold sold to 90,341oz and offset by a 21% decrease in the average gold price to US\$1,329/oz.

*Cost of sales* represents the cost of mining, processing, refinery, transport, site administration and depreciation & amortisation, as well as preproduction costs incurred prior to commercial production and movement in production inventory. Cost of sales has increased by 78% to US\$73.3 million, the result of:

- a 85% increase in mine production costs to US\$59.0 million primarily due to increased costs in the mining area and processing area as a result of increased activity quarter on quarter with tonnes moved increasing by 51% and tonnes treated by 46%; offset by:
- a US\$0.8 million debit for movement in production inventory largely as a result of the quarter on quarter decrease in gold in circuit at period end offset by an increase to ROM ore stockpile.

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

*Other operating costs* reported comprises expenditure incurred for communications, consultants, directors' fees, stock exchange listing fees, share registry fees, employee entitlements, general office administration expenses, the unwinding of the restoration and rehabilitation provision, foreign exchange movements, the share of profit/loss in Associates and the 3% production royalty payable to the Egyptian Government. Other operating costs increased by 592% to US\$17.3 million, primarily as a result of:

- (a) a US\$11.9 million impairment loss recognised in relation to the investment in Nyota;
- (b) a US\$0.5 million increase in royalty paid to the government of the ARE in line with the increased gold sales; and
- (c) a US\$2.3 million increase in corporate costs, offset by:
- (d) a US\$0.2 million increase in net foreign exchange movements from a US\$2.0 million gain to a US\$2.2 million gain.

*Other comprehensive income* has increased by US\$11.9 million as a result of the cumulative loss that had been recognised in other comprehensive income being reclassified from equity to profit.

**(2) Nine months ended 30 September 2013 compared to the nine months ended 30 September 2012**

*Revenue* reported comprises proceeds from gold sales and silver sales. Revenue has increased by 36% to US\$392.6 million, a result of a 59% increase in gold sold to 274,721oz and offset by a 14% decrease in the average gold price to US\$1,428/oz.

*Cost of sales* represents the cost of mining, processing, refinery, transport, site administration and depreciation & amortisation, as well as preproduction costs incurred prior to commercial production and movement in production inventory. Cost of sales has increased by 66% to US\$205.1 million, the result of:

- (a) a 72% increase in mine production costs to US\$172.4 million primarily due to increased costs in the mining area and processing area as a result of increased activity in the comparative nine months with tonnes moved increasing by 75% and tonnes treated by 30%, and
- (b) a 39% increase in depreciation and amortisation to US\$35.8 million, a result of an increase in the underlying mine development properties, offset by:
- (c) a US\$3.2 million credit for movement in production inventory as a result of the increased addition to ROM ore stockpile, offset by the period on period increase in gold in circuit at period end.

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

*Other operating costs* reported comprises expenditure incurred for communications, consultants, directors' fees, stock exchange listing fees, legal fees, share registry fees, employee entitlements, general office administration expenses, the unwinding of the restoration and rehabilitation provision, foreign exchange movements, the share of profit/loss in Associates and the 3% production royalty payable to the Egyptian Government. Other operating costs increased by 182% to US\$34.8 million, primarily as a result of:

- (a) a US\$11.9 million impairment loss recognised in relation to the investment in Nyota;
- (b) a US\$3.7 million decrease in net foreign exchange movements from a US\$4.6 million gain to a US\$0.9 million gain;
- (c) a US\$3.1 million increase in royalty paid to the government of the ARE in line with the increased gold sales;
- (d) a US\$1.6 million share of loss of Associate, of which US\$1.4 million relates to the write off of capitalised exploration costs; and
- (e) a US\$2.0 million increase in corporate costs.

*Other comprehensive income* has increased by US\$7.1 million as a result of the cumulative loss that had been recognised in other comprehensive income being reclassified from equity to profit.

## 10.4 Selected Information from the Unaudited Condensed Consolidated Statement of Financial Position

	30 September 2013 US\$'000	31 December 2012 US\$'000	Change US\$'000	%
Total current assets	263,373	282,971	(19,598)	(7%)
Total non-current assets	995,461	801,985	193,476	24%
Total assets	1,258,834	1,084,956	173,878	16%
Total current liabilities	71,113	59,568	11,545	19%
Total non-current liabilities	5,966	5,544	422	8%
Total liabilities	77,079	65,112	11,967	18%
<b>Net assets</b>	<b>1,181,755</b>	<b>1,019,844</b>	<b>161,911</b>	<b>16%</b>

*Current assets* have decreased by US\$19.6 million to US\$263.4 million, as a result of:

- US\$43.2 million in relation to funds advanced to Centamin's fuel supplier, Chevron, to ensure the continuous supply of fuel for our operations whilst negotiations are on going with the Egyptian Government's on the path forward for fuel subsidies; and
- the self-funding of the "Stage 4" expansion amounting to a cash outflow of US\$89.8 million; and
- offsetting these decreases is a US\$21.3 million increase in inventory to US\$115.9 million. Stores inventory has increased by US\$18.1 million to US\$89.9 million in preparation for the increase of the processing capacity from 5 to 10Mtpa by the end of 2013. Mining stockpiles and ore in circuit inventory has increased by US\$3.2 million to US\$26.0 million.

*Non-current assets* have increased by US\$193.5 million or 24% to US\$995.5 million, as a result of:

- exploration and evaluation assets have increased by US\$15.7 million to US\$61.4 million as a result of the drilling programs in Sukari Hill, the Sukari tenement area and Ethiopia;
- available-for-sale financial assets have decreased by US\$2.6 million to US\$3.0 million as a result of a US\$5.1 million devaluation (including foreign exchange loss) in the shares held in Nyota, this was offset by the acquisition of a total of 81 million shares in Nyota for US\$2.5 million;
- a US\$8.2 million advance payment made toward the Egyptian government which will be netted off against any future profit share that becomes payable. Refer to the Accounting for SGM section above for further details; and
- a US\$173.2 million increase in property, plant of equipment, mainly relating to net capitalised work-in-progress costs of US\$208.6 million (comprising US\$89.8 million for the "Stage 4" processing plant, US\$62.4 million for the open pit mining fleet expansion, US\$15.4 million for open pit development, US\$22.8 million for underground development and US\$18.2 million for other sustaining capital expenditure), offset by the depreciation and amortisation charge of US\$35.9 million.

*Current liabilities* have increased by US\$11.5 million to US\$71.1 million as a result of the addition to the open pit mining fleet.

*Non-current liabilities* reported during the period have increased marginally by US\$0.4 million as a result of the unwinding of the provision for rehabilitation.

There has been no movement in *Issued capital*.

*Reserves* reported have increased by US\$1.9 million to US\$5.3 million as result of the recognition of the share based payments expense.

*Accumulated profits* increased by US\$160.1 million as a result of the increase in the profit for the year attributable to the shareholders of Centamin of US\$165.2 million offset by a US\$5.1 million loss on available-for-sale financial assets.

## 10.5 Off-Balance Sheet Arrangements

Centamin had no off-balance sheet arrangements as of 30 September 2013.

## 10.6 Outstanding Share Information

As at 6 November 2013, Centamin had 1,101,397,381 fully paid ordinary shares issued and outstanding.

As at 6 November 2013	Number
Shares in Issue <sup>(1)</sup>	1,101,397,381
Options issued but not exercised	500,000
	<b>1,101,897,381</b>

(1) Includes Loan Funded Share Plans and Deferred Bonus Share Plan.

This position is unchanged as at the date of this Bidder's Statement.

## 10.7 Selected Information from the Unaudited Condensed Consolidated Statement of Cash Flows

	Three Months Ended 30 September				Nine Months Ended 30 September			
	2013 US\$'000	2012 US\$'000	Change US\$'000	%	2013 US\$'000	2012 US\$'000	Change US\$'000	%
Net cash flows generated by operating activities	73,963	49,058	24,905	51%	215,646	140,497	75,149	53%
Net cash flows used in investing activities	(71,455)	(54,508)	(16,947)	(31%)	(241,683)	(183,032)	(58,651)	(32%)
Net cash flows generated by financing activities	-	1,425	(1,425)	(100%)	-	3,356	(3,356)	(100%)
Net increase/ (decrease) in cash and cash equivalents	2,508	(4,025)	6,533	162%	(27,037)	(39,179)	12,142	31%
Cash and cash equivalents at the beginning of the financial period	114,615	127,734	(13,119)	(10%)	147,133	164,231	(17,098)	(10%)
Effects of exchange rate changes	404	870	(466)	(54%)	(2,569)	(473)	(2,096)	(443%)
<b>Cash and cash equivalents at the end of the financial period</b>	<b>117,527</b>	<b>124,579</b>	<b>(7,052)</b>	<b>(6%)</b>	<b>117,527</b>	<b>124,579</b>	<b>(7,052)</b>	<b>(6%)</b>

### (1) Three months ended 30 September 2013 compared to the three months ended 30 September 2012

*Net cash flows generated by operating activities* comprise receipts from gold and silver sales and interest revenue, offset by operating and corporate administration costs. Cash flows have increased by US\$24.9 million to US\$74.0 million, primarily attributable to:

- (a) an increase in cash flows in relation to payables and inventories, offset by:
  - (i) an increase in the cash flows in relation to receivables and prepayments; and
  - (ii) a decrease in gross margins due to reduced gold price (increases in sales volumes).

*Net cash flows used in investing activities* comprise exploration expenditure and capital development expenditures at Sukari including the acquisition of financial and Mineral assets. Cash flows have increased by US\$16.9 million to US\$71.5 million. The primary use of the funds in the third quarter was for investment in capital work in progress in relation to the "Stage 4" development and additional mining assets. A further US\$0.4 million was invested in interests in associates during the third quarter of 2013, which is a US\$0.4 million increase on the comparative quarter.

*Net cash flows generated by financing activities* comprise the exercising of shares issued under Centamin's Loan Funded Share Plans ("LFSPs") and options under the Employee Share Option Plan ("ESOP") respectively. There were no such cash flows during the Second Quarter of 2013.

*Effects of exchange rate changes* have decreased by US\$0.4 million as a result of the strong performance of the A\$ to the US\$.

## (2) Nine months ended 30 September 2013 compared to the nine months ended 30 September 2012

*Net cash flows generated by operating activities* comprise receipts from gold and silver sales and interest revenue, offset by operating and corporate administration costs. Cash flows have increased by US\$75.1 million to US\$215.6 million, primarily attributable to:

- (a) an increase in cash flows in relation to receivables, payables, prepayments and inventories, offset by:
- (b) a decrease in gross margins.

*Net cash flows used in investing activities* comprise exploration expenditure and capital development expenditures at Sukari including the acquisition of financial and mineral assets. Cash flows have increased by US\$58.7 million to US\$241.7 million. The primary use of the funds was for investment in capital work in progress in relation to the "Stage 4" development and additional mining assets. This was offset by a reduction in cash used in the purchase of additional interests in associates of US\$0.5 million.

*Net cash flows generated by financing activities* comprise the exercising of shares issued under Centamin's LFSPs and options under the ESOP respectively. There were no such cash flows during the first three quarters of 2013.

*Effects of exchange rate changes* have decreased by US\$2.1 million as a result of the strong performance of the A\$ to the US\$.

### 10.8 Quarterly Information

		Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011
Revenue	US'000	120.1	134.3	138.2	138.5	103.1	96.8	87.7	84.5
Profit before tax <sup>(1)</sup>	US'000	29.7	51.7	71.9	45.9	59.7	42.1	50.9	40.6
Basic EPS (cps) <sup>(1)</sup>	cents	2.72	4.75	6.60	4.26	5.53	3.87	4.61	3.74
Diluted EPS (cps) <sup>(1)</sup>	cents	2.70	4.73	6.59	4.26	5.52	3.87	4.61	3.73

- (1) Profit before tax and Basic and Diluted EPS includes an exceptional provision against prepayments recorded in Q4 2012 to reflect the removal of fuel subsidies which occurred in January 2012. Further provisions have been recorded in Q1 2013, Q2 2013 and Q3 2013 (refer to Note 4 of the interim condensed consolidated financial statements for further details).

Centamin's results over the past several quarters have been driven primarily by fluctuations in gold price and increases in gold equivalent ounces produced. Additionally, increases in input costs and foreign exchange rates have impacted results.

During the third quarter of 2013, revenue decreased slightly to US\$120.1 million on gold equivalent ounces sold of 90,341 compared with revenue of US\$134.3 million on sales of 98,325 gold equivalent ounces during the second quarter of 2013. The average realised gold price per ounce in the second quarter of 2013 was US\$1,364 compared with the average realised gold price during this quarter of US\$1,329 per ounce.

Cost of sales increased by 1% to US\$73.3 million in the third quarter of 2013 versus US\$72.6 million in the second quarter of 2013, primarily as a result (a) a 3% increase in tonnes milled and a 7% increase in ore tonnes mined from the underground offset with a 9% decrease in production, and (b) a 9% reduction in operating costs as a result of lower maintenance costs in mining for the quarter compared to Q2 2013.

Other operating costs increased by 592% to US\$17.3 million, primarily as a result of a US\$11.9 million impairment loss recognised in relation to the investment in Nyota.

### 10.9 Foreign Investment in Egypt

Foreign investments in the petroleum and mining sectors in Egypt are governed by individual production sharing agreements (concession agreements) between foreign companies and the Ministry for Petroleum and Mineral Resources or EMRA (as the case may be) and are individual Acts of Parliament.

Title, exploitation and development rights to the Sukari gold mine are granted under the terms of the Concession Agreement promulgated as Law No. 222 of 1994, signed on 29 January 1995 and effective from 13 June 1995. The Concession Agreement was issued by way of Presidential Decree after the approval of the People's Assembly in accordance with the Egyptian Constitution and Law No. 61 of 1958. The Concession Agreement was issued in accordance with the Egyptian Mines and Quarries Law No. 86 of 1956 which allows for the Ministry to grant the right to parties to explore and mine for minerals in Egypt.



Whilst Centamin is the first foreign company to develop a modern large-scale gold mine in Egypt there is significant foreign investment in the petroleum sector. Several large multinational oil and gas companies operate successfully in Egypt, some of which have long histories in the country and have dedicated significant amounts of capital. Centamin believes that the successful track record of foreign investment established by these companies in the petroleum sector is an important indication of the ability of foreign companies to attract financing and receive development approvals for the construction of major mining projects in Egypt.

#### 10.10 Litigation

Please see Section 18.7 (Material Litigation) of this Bidder's Statement for an overview of the material litigation to which the Centamin Group is a party.

#### 10.11 Overview of Sukari Concession Agreement

The Sukari Concession Agreement is described in more detail in Section 18.8 (Material Contracts). By way of overview, PGM, a 100% wholly owned subsidiary of Centamin, EGSMA (now "**EMRA**") and ARE entered into the Concession Agreement dated 29 January 1995, 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 identified in the Concession Agreement. The Concession Agreement came into effect under Egyptian law on 13 June 1995.

A summary of the main terms of the Concession Agreement is as follows:

- PGM provides funding to the operating company, SGM, and is responsible for the day-to-day management of that company.
- PGM is entitled to recover:
  - all current operating expenses incurred and paid after the initial Commercial Production;
  - exploration costs, including those accumulated to the commencement of Commercial Production (at the rate of 33.3% per annum); and
  - exploitation capital costs, including those accumulated prior to the commencement of Commercial Production (at the rate of 33.3% per annum).
- The ARE is entitled to a royalty of 3% of net sales revenue from the sale of gold and associated minerals from the Sukari gold mine.
- Commencing on the date of Commercial Production, SGM and PGM is entitled to a 15 year exemption from any taxes imposed by the Egyptian government, with an option to file an application to extend this entitlement for a further 15 years.
- After the deduction of recoverable expenses and the payment of the 3% royalty, the profits are shared equally between PGM and EMRA (with an additional 10% of proceeds paid to PGM in the first 2 years that there are net proceeds and an additional 5% in the following two years).
- PGM, EMRA and the operating company 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 Sukari.
- PGM, EMRA, the operating company and their respective buyers will be exempt from any duties or taxes on the export of gold and associated minerals produced from the Sukari gold mine.

In addition, the Concession Agreement establishes a procedure for the conversion of any exploration lease granted in favour of PGM into an exploitation lease. Upon following the procedure prescribed by the Concession Agreement, Centamin was granted such an exploitation lease in respect of 160km<sup>2</sup> in 2005 and is in possession of the original document granting this lease duly signed by all relevant parties. The validity of this lease is, however, the subject of the litigation referred to above and in Section 18.7.



## Commercial Production at Sukari Gold Mine

		Q3 2013	Q2 2013	Q3 2012	9 months ended 30 September 2013	9 months ended 30 September 2012
Ore Mined – Open Pit <sup>(1)</sup>	('000t)	3,409	2,961	1,653	8,503	4,472
Ore Grade Mined – Open Pit	(Au g/t)	0.73	0.84	1.00	0.83	0.99
Ore Grade Milled – Open Pit	(Au g/t)	1.15	1.28	1.34	1.25	1.21
Total Open Pit Material Mined	('000t)	10,506	11,020	6,970	32,076	18,368
Strip Ratio	(waste/ore)	2.1	2.7	3.2	2.8	3.1
Ore Mined – Underground Development	('000t)	78	73	40	217	150
Ore Mined – Underground Stopes	('000t)	74	69	53	196	141
Ore Grade Mined – Underground	(Au g/t)	9.75	10.99	9.01	10.26	8.65
Ore Processed	('000t)	1,463	1,419	1,004	4,284	3,293
Head Grade	(g/t)	2.03	2.28	2.10	2.12	1.93
Gold Recovery	(%)	85.7	90.2	86.7	88.0	85.3
Gold Produced – Dump Leach	(oz)	1,988	3,024	1,617	9,299	4,838
Gold Produced – Total <sup>(2)</sup>	(oz)	84,757	93,624	60,922	265,397	177,415
Cash Costs of Production <sup>(3) (4)</sup>	(US\$/oz)	693	690	724	647 <sup>(5)</sup>	722
Open Pit Mining	(US\$/oz)	301	339	243	264 <sup>(6)</sup>	NR
Underground Mining	(US\$/oz)	46	42	36	41	NR
Processing	(US\$/oz)	292	286	378	299	NR
G&A	(US\$/oz)	54	23	67	43	NR
Gold Sold	(oz)	90,341	98,325	60,794	274,721	172,643
Average Realised Sales Price	(US\$/oz)	1,329	1,364	1,680	1,428	1,652

Notes:-

- (1) Ore mined includes 1,412kt @0.39g/t delivered to the dump leach in Q3 2013 (1,092kt @ 0.37g/t in Q2 2013, 378kt @ 0.42g/t in Q1 2013; 11kt @ 0.48g/t in Q3 2012, 104kt @ 0.50g/t in Q2 2012 and 264kt @ 0.42g/t in Q1 2012).
- (2) Gold produced is gold poured and does not include gold-in-circuit at period end.
- (3) Cash costs of Production exclude royalties, exploration and corporate administration expenditure. Cash costs of Production is a non-GAAP financial performance measure with no standard meaning under GAAP. For further information and a detailed reconciliation, please see "Non-GAAP Financial Measures" section below.
- (4) Historic Cash costs of Production now reflect adoption of IFRIC 20 and an exceptional provision against prepayments recorded in Q4 2012, Q1 2013, Q2 2013, and Q3 2013 to reflect the removal of fuel subsidies which occurred in January 2012 (refer to Note 4 of the interim condensed consolidated financial statements for further details). The historic cash costs have been presented for comparative purposes to reflect the fuel price differential had the prepayments been expensed during the year (refer to Note 4 of the interim condensed consolidated financial statements for further details).
- (5) Correction of figure of US\$705/oz in 30 September 2013 financial results.
- (6) Correction of figure of US\$325/oz in 30 September 2013 financial results.

### 10.12 Liquidity and Capital Resources

Centamin's principal source of liquidity as at 30 September 2013 is cash of US\$117.5 million (30 September 2012 – US\$124.6 million). The majority has been invested in international rolling short term higher interest money market deposits.

The following is a summary of Centamin's outstanding commitments as at 30 September 2013:

Payments due	Total US\$'000	< 1 year US\$'000	1 to 5 years US\$'000	>5 years US\$'000
Capital Commitments	11,430	11,430	-	-
Operating Lease Commitments	316	62	239	15
<b>Total commitments</b>	<b>11,746</b>	<b>11,492</b>	<b>239</b>	<b>15</b>

The Centamin Group's financial commitments are limited to planned and discretionary spending on work programmes at the Sukari gold mine, planned and discretionary spending on work programmes at the exploration licences owned by Sheba, administration expenditure at the Egyptian, Australian, London and Jersey office locations and for general working capital purposes.

## 10.13 Segment Disclosure

### *Business segment*

The Centamin Group is engaged in the business of exploration and production of precious metals only, which is characterised as one business segment only. See Note 2 of the interim condensed consolidated financial statements for the three and nine months ended 30 September 2013, contained at Annexure G.

## 10.14 Significant Accounting Estimates

The preparation of these interim condensed consolidated financial statements in accordance with IFRS requires the use of certain significant accounting estimates and judgement by management in applying the Centamin Group's accounting policies. There have been no changes to the areas involving significant judgement and estimates that have been set out in Note 4 of the Centamin Group's annual audited consolidated financial statements for the year ended 31 December 2012. Furthermore, there have been no changes from the accounting policies applied in the 31 December 2012 financial statements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

## 10.15 Non-GAAP Financial Measures

Three non-GAAP financial measures are used in this MD&A:

(1) **EBITDA:** "EBITDA" is a non-GAAP financial measure, which excludes the following from profit before tax:

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

Management believes that EBITDA is a valuable indicator of the Centamin Group's ability to generate liquidity by producing operating cash flow to fund working capital needs and fund capital expenditures. EBITDA is also frequently used by investors and analysts for valuation purposes whereby EBITDA is multiplied by a factor or "EBITDA multiple" that is based on an observed or inferred relationship between EBITDA and market values to determine the approximate total enterprise value of a company. EBITDA is intended to provide additional information to investors and analysts and does not have any standardised definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. EBITDA excludes the impact of cash costs and income of financing activities and taxes, and therefore is not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate EBITDA differently. The following table provides a reconciliation of EBITDA to profit for the year attributable to Centamin.

Reconciliation of profit before tax to EBITDA:

	Quarter ended 30 September 2013 Before Exceptional items	Quarter ended 30 September 2013 Including Exceptional items <sup>(1)</sup>	Quarter ended 30 September 2012
	US\$'000	US\$'000	US\$'000
Profit before tax	44,100	29,680	59,712
Finance income	(146)	(146)	(171)
Depreciation and amortisation	13,575	13,575	7,469
EBITDA	57,529	43,109	67,010

	Nine months ended 30 September 2013 Before Exceptional items	Nine months ended 30 September 2013 Including Exceptional items <sup>(1)</sup>	Nine months ended 30 September 2012
	US\$'000	US\$'000	US\$'000
Profit before tax	192,694	153,298	152,652
Finance income	(568)	(568)	(820)
Depreciation and amortisation	35,850	35,850	25,762
EBITDA	227,976	188,580	177,594

(1) Profit before tax, Depreciation and amortisation and EBITDA includes an exceptional provision to reflect the removal of fuel subsidies (refer to Note 4 of the interim condensed consolidated financial statements contained in Annexure G for further details).

- (2) **Cash Cost per Ounce Calculation:** "Cash costs per ounce" is a non-GAAP financial measure. Cash Cost per ounce is a measure of the average cost of producing an ounce of gold, calculated by dividing the operating costs in a period by the total gold production over the same period. Operating costs represent total operating costs less administrative expenses, royalties, depreciation and amortisation. Management uses this measure internally to better assess performance trends for Centamin as a whole. Centamin believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors use such non-GAAP information to evaluate Centamin's performance and ability to generate cash flow. Centamin believes that these measures provide an alternative reflection of the Centamin Group's performance for the current period and are an alternative indication of its expected performance in future periods. Cash costs 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.

Reconciliation of Cash Cost per Ounce:

		Quarter ended 30 September 2013 Before Exceptional items	Quarter ended 30 September 2013 Including Exceptional items <sup>(1)</sup>
Mine production costs (Note 4)	(US\$'000)	46,294	59,029
Less: Refinery and transport	(US\$'000)	(305)	(305)
Cash costs	(US\$'000)	45,989	58,724
Gold Produced - Total	(oz)	84,757	84,757
Cash cost per ounce	(US\$/oz)	543	693

(1) Mine production costs, Cash costs and Cash cost per ounce includes an exceptional provision against prepayments recorded in Q3 to reflect the removal of fuel subsidies (refer to Note 4 of the interim condensed consolidated financial statements contained in Annexure G for further details).

- (3) **Cash and cash equivalents, Bullion on hand, Gold Sales Receivables and Available-for-sale Financial Assets:** This is a non-GAAP financial measure any other companies may calculate these measures differently.

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

	Quarter ended 30 September 2013	Quarter ended 30 September 2012
	US\$'000	US\$'000
Cash and cash equivalents (Note 16*)	117,527	124,579
Bullion on hand (valued at the year-end spot price)	8,327	26,936
Gold Sales Receivable	27,550	7,858
Available-for-sale financial assets (Note 13*)	3,044	22,336
Cash, Bullion, Gold Sales Receivables and Available for sale Financial Assets	156,448	181,709

\* Refer to Note 16 and Note 13 of the interim condensed consolidated financial statements for further details, contained at Annexure G

#### 10.16 Internal Controls

Financial reporting controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to management, including the CEO, CFO and COO, on a timely basis so that appropriate decisions can be made regarding public disclosure. Management, with the participation of the certifying officers, has evaluated the effectiveness of the design and operation, as of 30 September 2013, of Centamin's disclosure controls and procedures. Based on that evaluation, the certifying officers have concluded that such disclosure controls and procedures are effective and designed to ensure that material information relating to Centamin and its Subsidiaries is made known to them by others within those entities.

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of the Centamin Group's financial reporting and compliance with generally accepted accounting principles in Centamin's financial statements. Management evaluated at implementation the design of internal controls over financial reporting and has concluded that such internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards ("IFRSs") adopted by the European Union ("EU IFRS"). In addition, there have been no changes in Centamin's internal control over financial reporting during the quarter and nine months ended 30 September 2013 that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

#### 10.17 Risks and Uncertainties

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

There have been no changes in Centamin's risks and uncertainties during the nine months ended 30 September 2013 from those described in the Centamin Group's annual audited consolidated financial statements for the year ended 31 December 2012, and Centamin does not anticipate any changes in Centamin's risks and uncertainties during the next six months. Key headline risks relate to the following:

- Single project dependency
- Single country dependency
- Operational risks
- External risks
- Political, legal and regulatory risks
- Relationship with EMRA
- Government inexperience in mining
- Monitoring of Concessions
- Employees and contractors
- Gold price

- Litigation risks (particularly in respect of the expected hearings in the fourth quarter of the 2013 financial year in relation to the Supreme Administrative Court appeal and the Diesel Fuel Court Case).
- Reserves and resource estimates
- Health and safety
- The cost of self-generated electricity
- Environmental hazards and rehabilitation
- Community relations

Centamin is exposed to changes in the economic environment, as with any other business.

Further details on the key risks and uncertainties faced by the Centamin Group are contained in Section 6 of this Bidder's Statement.

#### **10.18 Financial Instruments**

At 30 September 2013, the Centamin Group had exposure to interest rate risk which was limited to the floating market rate for cash.

The Centamin Group does not have foreign currency risk for non-monetary assets and liabilities of the Egyptian operations as these are deemed to have a functional currency of US dollars. The Centamin Group has no significant monetary foreign currency assets and liabilities apart from Australian dollar and US dollar cash term deposits.

The Centamin Group currently does not engage in any hedging or derivative transactions to manage interest rate or foreign currency risks.

#### **10.19 Related Party Transactions**

Details of related party transactions are shown in Note 9 of the interim condensed consolidated financial statements contained in Annexure G.

#### **10.20 Subsequent Events**

Subsequent to 30 September 2013, Centamin reduced its interest in Nyota from 19.4% to 12.62% and generated proceeds amounting to US\$0.8 million.

There were no other significant events occurring after the 30 September 2013 reporting date requiring disclosure in the financial statements contained at Annexure G.



## 11 Ampella

### 11.1 Overview of Ampella

Ampella is an Australian listed company with significant gold assets in Burkina Faso, West Africa: one of the world's most prospective gold producing regions. Ampella has been listed on the ASX since 2007.

### 11.2 Projects

#### (1) Batie West

The primary focus of Ampella is the development of the Batie West gold project, which contains the Konkera Resource.

The Batie West gold project consists of 10 permits, covering an area of 2,000 km<sup>2</sup>. Six of the permits are 100% owned by Ampella. Ampella holds an interest in the other five by way of joint-venture and earn-in agreements.

The Batie West gold project is located approximately 450km from the capital city, Ouagadougou, in southern Burkina Faso, West Africa and occupies a 150km long gold-bearing shear zone that occurs along the southwest margin of the Boromo Greenstone Belt, adjacent to the country boundaries of Cote d'Ivoire and Ghana.

Ampella is focused on developing the Konkera Resource, which is part of the Batie West gold project.

In March 2013, Ampella announced the new independently verified JORC (2004) compliant Mineral Resource for Konkera. See Ampella's Target's Statement for further information.

Environmental baseline studies have been completed at Konkera and the Environmental Impact Assessment ("EIA") and Relocation Action Plan ("RAP") were submitted to the Burkina Faso government for approval. The public review process has been concluded and items raised at the public review have all been resolved. The EIA and RAP are currently being updated (following public review) and will be re-submitted to the Burkina Faso government for final approval and subsequent issuance of the environmental approvals for the project. In addition, an Environmental Impact Notice ("EIN") has been completed, submitted and approved for the relocation of road D131. An EIN for the construction of a new site access road has been completed and submitted for approval.

Significant metallurgical test work for flowsheet definition has been undertaken at ALS Metallurgy in Perth and at HRL Laboratories in Brisbane. Gold mineralisation is very fine with a significant part of the gold at Konkera Main/East and Konkera North being associated with pyrite and arsenopyrite. As a result the gold is seen to be refractory and requires a combination of flotation and fine grinding in order to increase gold recovery. Sulphide oxidation of the flotation concentrate results in a further increase in gold recovery.

A feasibility study considering a 3Mtpa process route incorporating flotation and fine grind has been progressed for the project. Based on the feasibility study Ampella is looking to define additional free milling resources within trucking distance of the Konkera Resource. The free milling resources would improve the project economics and enable deferral of construction of the flotation and fine grind circuits.

#### (2) Doulnia project

Following a joint venture agreement (60:40) with Vital Metals Limited ("Vital Metals") in November 2009, Vital Metals commenced exploration activities at Ampella's Doulnia project, consisting of the Doulnia and Kampala permits.

The Doulnia joint venture agreement with Vital Metals has since moved to a cash free net-smelter royalty agreement with Ampella having the option to acquire an economic interest of 30% in the Doulnia project for a specified sum, should the project reach certain milestones related to Mineral Resource delineation.

#### (3) Madougou Project

The Madougou project covers an area of 465 km<sup>2</sup> over two separate permits, namely Kandy to the southwest and Madougou to the northeast. Ampella entered into a farm out agreement with Carbine Resources Limited in December 2009 and is currently considering its ongoing involvement in the Madougou project.



#### **(4) Ivory Coast**

Ampella holds three permits in the Ivory Coast covering 1,200 km<sup>2</sup>. These permits are adjacent to the Batie West project area. Applications for a further four permits covering 1,056 km<sup>2</sup> have also been made.

### **11.3 Ampella Directors**

As at the date of this Bidder's Statement, the Ampella Directors are as follows:

#### **Peter Mansell (Non-Executive Chairman)**

Mr Mansell is a corporate and resources lawyer with over 35 years' experience. He is currently a Director of several ASX, LSE and TSX listed and unlisted companies including Bullabulling Gold Limited, Hanlong Resources (Australia) Pty Ltd, Hanlong Mining Investments Pty Ltd, Ferngrove Vineyards Ltd, Moly Mines Ltd, Cancer Research Tryst, Foodbank of Australia Limited and Foodbank of Western Australia.

Mr Mansell is a former Chairman of ASX100 listed companies West Australian Newspapers Ltd, Zinifex Ltd, BWP Trust and Nystar NV as well as the Chairman of Western Power Corporation. In addition, he has held directorships with Oz Minerals Limited, Tethyan Copper Company Ltd and Australian subsidiaries of AngloGold Limited.

Mr Mansell holds a Bachelor of Commerce, Bachelor of Laws and Higher Diploma in Taxation Law, all from the University of Witwatersrand.

#### **Paul Kitto (Managing Director and Chief Executive Officer)**

Dr Kitto has over 20 years' experience with major mining companies including Gold Fields Limited, Renison Goldfields Consolidated and Aurion Gold. More recently he was Africa Exploration Manager for Gold Fields Limited, and Exploration Director in Russia and CIS for Sun Mining Limited.

He has negotiated, managed and co-ordinated exploration programs, joint ventures and project generation initiatives worldwide, including multi-million ounce gold resources in Africa, Australia and Papua New Guinea.

Dr Kitto holds a doctorate in geochemistry and structural geology from the Centre for Ore Deposit Research at the University of Tasmania where he was also employed as a Research Fellow.

#### **Ronnie Beevor (Non-Executive Director)**

Mr Beevor is an investment banker and senior advisor to Gryphon Partners. He has previously held the position of Head of Investment Banking at NM Rothschild and Sons (Australia) Limited and has had extensive involvement in the natural resources industry, both in Australia and internationally.

Mr Beevor is currently Chairman of TSX and AIM-listed EMED Mining Public Limited and a Non-Executive Director of each of Bullabulling Gold Limited, Bannerman Resources Limited, Riversdale Resources Ltd, Unity Mining Limited and Wolf Minerals Ltd.

Mr Beevor has an Honours Degree in Philosophy, Politics and Economics from Oxford University and qualified as a chartered accountant in London in 1972.

#### **Ron Renton (Non-Executive Director)**

Mr Renton has over 40 years' experience in open pit mining for companies such as Alcoa Inc., Rio Tinto Plc/Rio Tinto Limited, BHP Billiton Plc/BHP Billiton Limited, Inco Limited (since acquired by Vale Canada Limited) and AngloGold Ashanti Limited, with ten years spent working in francophone West Africa.

He has been involved in line management operations up to Chief Executive and greenfields project development up to Project Director levels.

Mr Renton has a Degree in Civil Engineering from the University of Western Australia.

#### **Michael Andersen (Non-Executive Director)**

Mr Anderson has more than 20 years' industry experience in South Africa and Australia and is a current director of Taurus. Most recently he held the position of Managing Director at Exco Resources Limited where he oversaw the successful development of the White Dam Gold Project and the sale of its Cloncurry Copper Project to Xstrata Plc. Mr Anderson is also a director of PMI Gold Corporation Ltd, Hot Chili Limited, Base Resources Limited and Alliance Mining Commodities Ltd.

He was also Corporate Development Manager at Gallery Gold following roles at Mintek, Bateman, Kellogg Brown and Root and Anglo American.

Mr Anderson joined specialist resource investment fund, Taurus as a Director in August 2011.

#### 11.4 Substantial shareholders

As at 19 December 2013, being the latest practicable date prior to the date of this Bidder's Statement, the substantial shareholders in Ampella are as follows:

Name of substantial holder	Person's votes	Voting power (%)
Taurus SM Holdings Pty Ltd	46,631,423	18.88 <sup>(1)</sup>
Acorn Capital Limited	16,123,034	6.53

- (1) Centamin has a Relevant Interest in the shares held by Taurus SM Holdings by virtue of the Pre-Bid Acceptance Agreement.

#### 11.5 Publicly Available Information

Ampella is listed on ASX and is obliged to comply with its continuous disclosure requirements. The Ampella Group's annual report for the year ended 31 December 2012 was lodged with ASIC and given to ASX on 28 March 2013 and its updated half yearly report and accounts were lodged with ASIC and given to ASX on 10 September 2013.

A description of each announcement made by Ampella since 31 December 2012 is set out at Annexure E. Copies of the announcements made by Ampella in relation to the Offer made between 6 December 2013 and 10 December 2013 are set out at Annexure D.

Further publicly available information about Ampella is available on Ampella's website at [www.ampella.com.au](http://www.ampella.com.au) and in the Target's Statement.

## 12 Centamin's Intentions for Ampella

### 12.1 Introduction

This Section sets out Centamin West Africa's intentions for Ampella, which are based on the information concerning Ampella and its business known to Centamin West Africa at the time of preparation of this Bidder's Statement. Centamin West Africa will only make final decisions in light of the material information available to it and circumstances at the relevant time. The statements set out in this Section are therefore statements of current intentions only, which may vary as new information becomes available or circumstances change.

### 12.2 Rationale for the Offer

The acquisition of Ampella will provide, at a price which Centamin and Centamin West Africa believe to be reasonable and fair, a significant expansion to Centamin's exploration drive and also a first entry into a highly prospective region of Burkina Faso, which in recent years has proven to be a stable and attractive destination for mining investment. The existing Resource developed by Ampella at Batie West (1.92Moz Indicated and 1.33Moz Inferred) will increase the Centamin Group's Measured and Indicated Resource to 14.6Moz and Inferred Resource to 2.7Moz. More importantly, Centamin intends to realise the potential for further significant Resource expansion through a focussed exploration programme, with the ultimate aim of further production growth via the development of an economically robust operation at Batie West.

### 12.3 Intentions upon becoming entitled to proceed with compulsory acquisition

If Centamin West Africa becomes entitled to compulsorily acquire all of the Ampella Shares in accordance with the Corporations Act, Centamin West Africa's intentions for Ampella would be as set out in this Section 12.3.

#### (1) Corporate Matters

Centamin West Africa intends to:

- (a) proceed with compulsory acquisition of all the:
  - Ampella Shares, including those which are issued as a result of exercise of the Ampella Options or vesting of Ampella Performance Rights; and
  - any Ampella Options which have not been cancelled or exercised prior to the Closing Date;
- (b) procure that Ampella is removed from the official list of ASX;
- (c) replace all of the Ampella Directors with Centamin Group nominees. The replacement Ampella Directors have not yet been identified by Centamin West Africa and their identity will depend upon the relevant circumstances at the time;
- (d) undertake a review of the requirements for maintaining Ampella's presence in Australia, including its head office and local employee functions. Such a review is likely to result in the closure of the Perth head office and the redundancy or redeployment of its workforce elsewhere within the Centamin Group; and
- (e) undertake a review of Ampella's operations in Burkina Faso and Cote d'Ivoire. The review will aim to minimise the requirement for redundancies and ensure that key technical and in-country management are retained.

#### (2) Specific operational intentions

In Burkina Faso, Centamin West Africa intends to continue the active development of Ampella's portfolio of advanced and early stage exploration assets. In particular, in order to facilitate the application for an industrial operating permit (under the terms of the Burkina Faso Mining Code) and in due course the development of production operations, on behalf of Ampella's operational companies in Burkina Faso, Centamin West Africa shall seek to provide:

- suitable levels of funding being advanced from within the Centamin Group to meet development requirements;
- the redeployment of necessary levels of technical expertise and skill-sets from within the Centamin Group or otherwise recruited; and
- the services of key suppliers and third party consultants for accelerated exploration and mine development services.

In Cote d'Ivoire, Centamin West Africa intends to conduct an operational review of the current research permits held by Ampella and those applications for further research permits submitted by Ampella to the Cote d'Ivoire Ministry of Mines. Following this review, Centamin West Africa will determine whether to procure the advance funding for the development of these assets.

#### **12.4 Intentions for Ampella as a partly owned company**

If Centamin West Africa obtains control of Ampella but is not entitled to compulsorily acquire the outstanding Ampella Shares Centamin West Africa's intentions for Ampella would be as set out in this Section 12.4.

- (1) Subject to the Corporations Act and the constitution of Ampella, replace some or all of the Ampella Directors to reflect Centamin's ownership interest in Ampella. Replacement Ampella Directors have not yet been determined by Centamin or Centamin West Africa and their number and identity will depend upon the circumstances at the relevant time.
- (2) Subject to the ASX Listing Rules, ask the Ampella Directors to review whether Ampella should remain listed on ASX or be removed from the official list of ASX.
- (3) Propose to the Ampella Board that they conduct a review of all of Ampella's operations and, subject to the approval of Ampella's board, allow Centamin West Africa to participate in that review.
- (4) Implement the intentions outlined in Section 12.3 above, which are consistent with Centamin West Africa obtaining control of Ampella.

Centamin West Africa would only make a decision on these courses of action following receipt of appropriate legal, taxation and financial advice, and in light of the material circumstances at the relevant time, including Ampella Directors' obligations to have regard to the interests of Ampella and all Ampella Shareholders. Centamin West Africa's intentions must also be read subject to the requirements of the Corporations Act and the ASX Listing Rules (if Ampella remains listed) in relation to related party transactions.

## 13 Securities in Ampella

### 13.1 Ampella Securities on Issue

According to documents provided by Ampella to ASX, as at the date of this Bidder's Statement, Ampella has the following securities on issue:

- (1) 247,000,493 Ampella Shares;
- (2) 8,850,000 Ampella Options; and
- (3) 8,802,390 Ampella Performance Rights.

### 13.2 Ampella Shares

The Ampella Shares are quoted on ASX and are freely transferable.

As at the date of this Bidder's Statement and the date immediately before the first Offer is sent, Centamin has a Relevant Interest in 46,631,423 Ampella Shares, giving it voting power of 18.88%. Further details in relation to Centamin and Centamin West Africa's dealings in Ampella's securities are set out in Section 10.

### 13.3 Employee Share Acquisition Plan

Under the Employee Share Acquisition Plan, Ampella has provided a loan to selected employees ("**Participants**") in order for those Participants to acquire Ampella Shares. Following allocation of shares to a Participant, the Ampella Shares are held on trust ("**Plan Shares**") for that Participant by Ampella Share Plan Pty Ltd in its capacity as trustee of the Employee Share Acquisition Plan Trust ("**Trustee**").

No interest or other charges are payable on the loan if the Participant remains employed by Ampella or its subsidiaries for more than 2 years after the allocation of Plan Shares. All dividends paid on the Plan Shares must be applied in repayment of the loan.

There are currently 2 outstanding loans under the Ampella Share Acquisition Plan. The Ampella Shares held by the Trustee on behalf of the participants will be cancelled.

### 13.4 Ampella Performance Rights

Immediately prior to the announcement of the Offer, Ampella had 8,802,390 Ampella Performance Rights on issue. Pursuant to the terms of the Employee Performance Rights Plan Rules and the management performance rights plan terms and conditions governing those Ampella Performance Rights, all Ampella Performance Rights will automatically vest where a takeover bid is announced, has become unconditional and the person making the takeover bid has a Relevant Interest in 50% of the Ampella Shares. The Ampella Performance Rights will vest into the equivalent number of Ampella Shares.

### 13.5 Ampella Options

The Ampella Options are not quoted on ASX. Each Ampella Option entitles the holder to be issued 1 Ampella Share. The Ampella Options on issue as at the date of this Bidder's Statement are set out in the table below in this Section 13.5.

As at the date of this Bidder's Statement and the date immediately before the first Offer is sent, Centamin and Centamin West Africa do not have an interest in any Ampella Options.

Ampella will make separate offers to all holders of Ampella Options, other than the holders of Ampella Options which will expire on 4 February 2014 (which will lapse), no later than 2 Business Days after the date that the Offer opens. These offers will be conditional on the Offer having become, or being declared by Centamin West Africa to be, free from all conditions and Centamin West Africa having Voting Power in Ampella of equal to or greater than 50.1%.

As Ampella does not intend to obtain the approval of Ampella Shareholders to cancel the Ampella Options for consideration, as contemplated by ASX Listing Rule 6.23.2, Ampella has applied to ASX for, and has received, a waiver in respect of ASX Listing Rule 6.23.2. The effect of this waiver is to permit Ampella to cancel the Ampella Options for consideration without Ampella Shareholder approval, subject to Centamin West Africa having Voting Power of at least 50.1% and the Offer being declared unconditional.

The consideration payable by Ampella in respect of the cancellation of each Ampella Option depends upon the exercise price and expiry date in respect of that Ampella Option. So far as known to Centamin and Centamin West Africa, the exercise prices and expiry dates for the Ampella Options on issue as at the date of this Bidder's Statement, and the consideration payable to effect their cancellation, are as set out in the table below in this Section 13.5.

<b>Exercise Price</b>	<b>Expiry Date</b>	<b>Number of Ampella Options</b>	<b>Consideration payable to effect cancellation in respect of one Ampella Option</b>
\$3.00	4 February 2014	500,000	Not applicable (these Ampella Options will lapse)
\$1.35	7 May 2015	1,100,000	\$0.000831
\$0.91	31 December 2015	900,000	\$0.007801
\$0.74	31 July 2015	6,350,000	\$0.006716
<b>Total</b>		<b>8,850,000</b>	

If not all Ampella Options are cancelled and Centamin West Africa becomes entitled to compulsorily acquire all of the Ampella Shares in accordance with the Corporations Act, Centamin West Africa will be required to make offers in relation to the compulsory acquisition of all of the Ampella Options.

The Offer extends to any Ampella Shares issued upon exercise of Ampella Options during the period from the Record Date to the end of the Offer Period.



## 14 Information on Centamin Shares

### 14.1 Centamin Share Capital

As at the date of this Bidder's Statement, Centamin is authorised to issue an unlimited number of ordinary shares with no par value and has issued 1,101,397,381 fully paid ordinary shares.

If the Offer is accepted by all Ampella Shareholders (assuming the cancellation of all Ampella Options, pursuant to the Option Cancellation Agreements), the maximum number of Consideration Shares that will be issued under the Offer will be 50,860,577 which, at the date of this Bidder's Statement, constitutes approximately 4.3% of the existing share capital of Centamin. On a fully diluted basis, the maximum number of Centamin Shares issued under the Offer will, at the date of this Bidder's Statement, constitute approximately 4.4% of the enlarged share capital of Centamin following the issue of the Consideration Shares under the Offer.

### 14.2 Centamin West Africa Share Capital

As at the date of this Bidder's Statement, Centamin West Africa has no restriction on the authorised share capital and has issued two fully paid ordinary shares, each with a par value of £1. The sole shareholder of Centamin West Africa is Centamin.

### 14.3 Centamin Constitution

Centamin is incorporated in Jersey. The following is a broad summary of the rights, privileges and restrictions which attach to Centamin Shares. It is not intended to be an exhaustive summary.

#### **Memorandum of Association**

Centamin is a public company and a no par value company under the relevant provisions of the Jersey Companies Law. The liability of each member arising from his holding of a share in Centamin is limited to the amount (if any) unpaid on it. Centamin has unrestricted corporate capacity. The Memorandum of Association is available for inspection at Centamin's registered office during normal office opening hours.

#### **Articles of Association**

The Articles were adopted on 15 December 2011 and are available for inspection at Centamin's registered office during normal office opening hours. The Articles contain provisions (amongst others) to the following effect:

---

#### **Rights attaching to shares**

##### *Issue of shares*

Subject to the pre-emption rights summarised in the following paragraph, Centamin may from time to time pass an ordinary resolution (by a simple majority) authorising the Board to exercise all the powers of Centamin to allot relevant securities up to the amount specified in the resolution. The authority shall expire on the day specified in the resolution, not being more than five years after the date on which the resolution is passed.

When proposing to allot equity securities to a person, Centamin must first offer them to every holder on the same or more favourable terms. The number of equity securities offered will be in proportion to the number of shares held by the relevant holder. Pre-emption rights do not apply to an allotment of equity securities wholly paid otherwise than in cash nor do they apply to equity securities allotted or issued under an employee share scheme, the allotment of bonus shares or on the sale of shares which were held by the company as treasury shares immediately prior to the sale.

Centamin may, by special resolution give the Centamin Directors the power to disapply the pre-emption rights generally or in respect of a specific allotment, but such power shall be limited to an allotment in connection with a rights issue or an allotment (other than in connection with a rights issue) up to the amount specified in the special resolution. Pursuant to the Articles, a special resolution is required to be passed by three-quarters of shareholders present (in person or by proxy) at the relevant meeting.

<i>Voting rights</i>	<p>Centamin Shares carry one vote each.</p> <p>In the case of joint holders, the person whose name appears first in Centamin's register of members will hold the vote attached to the relevant Centamin Share. Unless otherwise decided by the Centamin Board, no vote is allowed in respect of a Centamin Share where a call or other amount due and payable in respect of the share is unpaid.</p>
<i>Dividends</i>	<p>Subject to the provisions of the Jersey Companies Law, Centamin may by ordinary resolution declare dividends in accordance with the respective rights of the shareholders but no dividend can exceed the amount recommended by the Centamin Directors. Such a resolution could include the cash currency in which a dividend could be paid.</p> <p>Holders of Centamin Shares are entitled to dividends pro rata according to the number of Centamin Shares held. This is subject to any priority of payment of dividends as determined by the Articles, the class rights of other classes of shares or by special resolution.</p> <p>Interim dividends may be paid in accordance with the Jersey Companies Law. Unless otherwise provided by rights attaching to the shares, all dividends will be declared and paid according to the amounts paid up on the shares on which the dividend is paid, save that no amount paid up on a share in advance of calls shall be treated as paid up on the Centamin Share.</p>
<i>Variation of rights</i>	<p>Where the capital of Centamin is divided into different classes of shares, rights attached to any class of shares may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated. This can be done with the consent in writing of the holders of two-thirds of the issued shares of the relevant class or by a special resolution passed at a separate meeting of the holders of the issued shares of that class.</p>
<i>Alteration of capital</i>	<p>Centamin may by special resolution:</p> <ul style="list-style-type: none"> <li>• increase or reduce the number of shares it is authorised to issue;</li> <li>• consolidate all or any of its shares (whether issued or not) into a smaller number of shares; or</li> <li>• sub-divide all or any of its shares (whether issued or not) into a larger number of shares.</li> </ul>
<i>Purchase of own shares and reduction of capital</i>	<p>Subject to the Jersey Companies Law and to the rights attaching to existing shares, Centamin may by special resolution reduce its stated capital or any capital redemption reserve in any way.</p> <p>Subject to the Jersey Companies Law and the rights attaching to existing shares, Centamin may also purchase, or agree to purchase in the future, any shares of any class (including redeemable shares) in its own capital in any way.</p>
<i>Winding-up and capital reduction</i>	<p>If Centamin is wound up, Centamin may, by a special resolution and subject to any other sanction required by the Jersey Companies Law, divide the whole or any part of the assets of Centamin among the holders in specie provided that no holder will be compelled to accept any assets upon which there is a liability.</p> <p>On return of assets on liquidation or capital reduction or otherwise, the assets of Centamin remaining after payment of its liabilities shall, subject to the rights of the holders of other classes of shares, be applied to the holders of Centamin Shares equally pro rata to their holdings of ordinary shares.</p>
<i>Transfer of shares</i>	<p>The instrument of transfer of a share must be in writing and may be in any usual form or in any other form which the Centamin Directors may approve and must be executed by or on behalf of the transferor and, unless the shares are fully paid, by or on behalf of the transferee.</p> <p>Uncertificated shares may be transferred in accordance with the Companies (Uncertificated Securities) (Jersey) Order 1999 by means of a relevant system.</p>

## Centamin Directors

### *Number of Centamin Directors*

Unless Centamin decides otherwise by ordinary resolution, there is no maximum number of Centamin Directors but the minimum is two.

### *Appointment of Centamin Directors*

Centamin may appoint Centamin Directors by ordinary resolution. The board may appoint a director but such a director may hold office only until the dissolution of the next annual general meeting after his appointment unless he is reappointed during that meeting.

### *Annual retirement of Centamin Directors*

Each Centamin Director shall retire from office at each annual general meeting and may, if willing to act, be reappointed.

### *Removal of Centamin Directors*

Centamin may by ordinary resolution remove a Centamin Director before the expiry of his period of office (without prejudice to a claim for damages for breach of contract or otherwise). The office of a Centamin Director is vacated if:

- he resigns by notice delivered to the company secretary at the office or tendered at a board meeting;
- where he has been appointed for a fixed term, the term expires;
- he ceases to be eligible to be a Centamin Director by virtue of a provision of the Jersey Companies Law, is removed from office pursuant to the Articles or becomes prohibited by any other applicable law or the UK Listing Rules from being a Centamin Director;
- he becomes bankrupt or has had a declaration en de'sastre in relation to his or her property made pursuant to the Bankruptcy (De'sastre) Jersey Law 1990;
- he becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health;
- both he (and his alternate director, if any) are absent, without the permission of the board, from board meetings for six consecutive months and the board resolves that his office be vacated;
- he is removed from office pursuant to the Articles;
- he is disqualified from acting as a company director by a court of competent jurisdiction;
- he is convicted of a criminal offence and the Centamin Directors resolve it is undesirable in the interests of Centamin that he remains a Centamin Director; or
- the conduct of that Centamin Director (whether or not concerning the affairs of Centamin) is the subject of an investigation by the Jersey Financial Services Commission or any successor body or equivalent body in any foreign jurisdiction and the Centamin Directors resolve it is undesirable in the interests of Centamin that he remains a Centamin Director of Centamin.

### *Permitted interests of Centamin Directors*

Subject to the Jersey Companies Law and provided he has disclosed to the board the nature and extent of any direct or indirect interest, a director notwithstanding his office:

- may enter into or otherwise be interested in a contract, arrangement, transaction or proposal with Centamin or any of its subsidiary undertakings or in which Centamin or any of its subsidiary undertakings is otherwise interested;
- may hold another office or place of profit with Centamin or any of its subsidiary undertakings (except that of auditor or auditor of a subsidiary of Centamin or any of its subsidiary undertakings) and may act by himself or through his firm in a professional capacity to Centamin or any of its subsidiary undertakings, and in that case on such terms as to remuneration and otherwise as the board may decide either in addition to or instead of other remuneration provided for by the Articles;

- may be a Centamin Director or other officer of, or employed by, or a party to a contract, transaction, arrangement or proposal with or otherwise interested in, a company promoted by Centamin or any of its subsidiary undertakings or in which Centamin or any of its subsidiary undertakings is otherwise interested or as regards which Centamin or any of its subsidiary undertakings has a power of appointment; and
- is not liable to account to Centamin or any of its subsidiary undertakings for a profit, remuneration or other benefit realised by such contract, arrangement, transaction, proposal, office or employment and no such contract, arrangement, transaction or proposal is avoided on the grounds of any such interest or benefit.

A Centamin Director may not vote (or be counted in the quorum at a meeting) in respect of any contract, arrangement, transaction or proposal in which he has an interest which is to his knowledge a material interest (otherwise than by virtue of his interest in shares, debentures or other securities of or otherwise in or through Centamin). Notwithstanding the above, a Centamin Director shall be entitled to vote (and be counted in the quorum) in respect of:

- the giving of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of, or for the benefit of, Centamin or any of its subsidiary undertakings;
- a debt or obligation of Centamin or any of its subsidiary undertakings for which he himself has assumed responsibility under a guarantee or indemnity or by the giving of security;
- any issue or offer of new shares, debentures or other securities of Centamin or its subsidiary undertakings in which he is entitled to participate in his capacity as holder of any such securities or as an underwriter or sub-underwriter;
- any contract, arrangement, transaction or proposal where the other party is a company in which he is interested (directly or indirectly) whether as an officer, shareholder, creditor or otherwise if he holds less than 5% of the equity share capital or voting rights of that company;
- any arrangement for the benefit of employees of Centamin or any of its subsidiaries which does not accord to him any privilege or benefit not generally accorded to the employees to whom the arrangement relates;
- the purchase or maintenance of insurance for the benefit of Centamin Directors or other persons including Centamin Directors; and
- the calling of a general meeting of Centamin at which matters relating to the Centamin Directors are to be considered and voted upon by the shareholders.

#### *Remuneration of Centamin Directors*

On 23 May 2013, by way of ordinary resolution Centamin approved that pursuant to Article 39 of the Articles, the maximum aggregate amount of fees that Centamin is authorised to pay the Centamin Directors, for their services as directors, be increased to £600,000. These fees will be divided in proportions decided by the Board or equally. These fees are distinct from any salary, remuneration or other amount payable to a Director under the Articles or otherwise.

#### *Centamin Directors' interests in shares*

A Centamin Director must notify Centamin of any Centamin Shares he holds on the date of his appointment. Centamin Directors are required to notify Centamin if they acquire Centamin Shares or, if they already hold Centamin Shares, of any change in their shareholding on the same day the acquisition or disposal takes place. Centamin must keep a register of the Director's shareholdings at its registered office which is open to inspection by the members. Centamin Directors are also required to disclose shares held by their connected parties.

### **Borrowing Powers**

The board may delegate to a Centamin Director holding executive office any of its powers, authorities and discretions for such time and on such terms and conditions as it thinks fit.

The board may exercise all the powers of Centamin to borrow money, to mortgage or charge its undertaking, property, assets (present and future) and uncalled capital, and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of Centamin or of any third party.

The board is required to restrict the borrowings of Centamin and exercise all voting and other rights or powers of control exercisable by Centamin in relation to its subsidiary undertakings so as to secure that the aggregate principal amount outstanding at any time in respect of all borrowings by the Centamin Group (exclusive of any intra-group borrowings) after deducting the amount of cash deposited will not, without the previous sanction of an ordinary resolution of Centamin exceed an amount equal to the higher of three times the aggregate of the stated capital and the amounts standing to the credit of the consolidated reserves of Centamin and its subsidiaries, whether distributable or undistributable, after adding any balance standing to the credit of the consolidated profit and loss account of Centamin; or any higher limit fixed by ordinary resolution of Centamin which is applicable at the relevant time. As at the date of this Bidder's Statement, no resolution of the type referred to in this paragraph has been passed.

### **Meetings of Shareholders**

Annual general meetings are to be held once every year. They can be convened by the board at such time and place as it thinks fit provided that Centamin must hold an annual general meeting within six months of the end of each financial year of Centamin and there must not be a gap of more than 15 months between one annual general meeting and the next.

General meetings, being meetings other than annual general meetings, may be convened whenever the board thinks fit.

Annual general meetings require not less than 21 clear days' notice.

The notice period for general meetings, other than annual general meetings, is 14 clear days' notice, provided that Centamin meets the following two conditions:

- (i) Centamin offers the facility for Centamin Shareholders to vote by electronic means accessible to all Centamin Shareholders who hold Centamin Shares that carry rights to vote at general meetings (which is met if there is a facility, offered by Centamin and accessible to all such Centamin Shareholders, to appoint a proxy by means of a website); and
- (ii) annual shareholder approval by special resolution has been received. 21 clear days' notice is required for all other general meetings for such time as Centamin is admitted to the Official List of the FCA and does not satisfy the two conditions referred to above.

The notice must be given to all holders and to all persons recognised by the Centamin Directors as having become entitled to a share following the death, bankruptcy or incapacity of a holder. Shorter notice is possible, in the case of an annual general meeting, by the agreement of all the Centamin Shareholders entitled to attend and vote at the meeting and, in the case of another meeting, by a majority of Centamin Shareholders holding not less than 95 per cent of the total voting rights.

The notice must specify that a member entitled to attend and vote may appoint one or more proxies to attend and, on a show of hands or on a poll, vote instead of him and that a proxy need not also be a member and that the proxy or proxies may exercise the member's right to speak at the meeting. Where more than one proxy is validly appointed for the same share for use at the same meeting, the last valid one is treated as revoking or replacing any previous ones. An instrument appointing a proxy is to be in writing in any usual form, or as approved by the



Centamin Directors, and must be executed by or on behalf of the appointor. The Board may accept the appointment of a proxy received in an electronic communication on such terms and subject to such conditions as it considers fit, subject to the Jersey Companies Law and the *Electronic Communications (Jersey) Law 2000*.

Canadian securities laws require advance notice of the record date for shareholder meetings. Subject to certain exceptions, Canadian securities laws require meeting materials to be delivered to shareholders at least 21 days prior to the shareholders' meeting.

The quorum of a general meeting is two persons entitled to vote upon the business to be transacted, each being a holder present or by proxy.

In the case of joint holders of a share, a notice will be given to whichever of them is named first in the register of members in respect of the joint holding and notice given in this way is sufficient notice to all joint holders.

#### Indemnity of officers

Centamin is permitted by the Articles, subject to the provisions of the Jersey Companies Law, to indemnify every present or former Director or other officer of Centamin in certain circumstances in respect of Centamin Director and officers' liabilities arising in the course of their duties.

The Jersey Companies Law prohibits any agreement by Centamin to exempt any person from, or indemnify any person against, any liability which by law would otherwise attach to the person by reason of the fact that the person is or has been an officer of Centamin. However, the Jersey Companies Law allows certain exceptions to this, particularly in respect of any liability incurred otherwise than to Centamin if the person acted in good faith with a view to the best interests of Centamin.

#### Notification of interests in shares

The provisions of Chapter 5 of the Disclosure and Transparency Rules (**DTR 5**) are deemed to be incorporated by reference into the Articles and operate in conjunction with the provisions of the Articles. A summary of DTR 5 is set out in Annexure B.

Where notice is serviced by Centamin in accordance with Section 793 of the UK Companies Act as incorporated into the Articles (a "**Section 793 notice**") on a member, or another person whom Centamin knows or has reasonable cause to believe to be interested in shares held by that shareholder, and the shareholder or other person has failed in relation to any shares (the "**default shares**") to give Centamin the information required within the relevant period the following sanctions apply:

- the shareholder shall not be entitled in respect of the default shares to be present or to vote (either in person or by proxy) at a general meeting or at a separate meeting of the holders of a class of shares to exercise any other right conferred by membership in relation to the meetings of Centamin; and
- where the default shares represent at least 0.25% of the issued shares of their class:
  - any dividend (or any part of a dividend) or other amount payable in respect of the default shares shall be withheld by Centamin, which has no obligation to pay interest on it; and
  - no transfer of any of the default shares shall be registered unless the transfer is an exempt transfer (e.g. a transfer pursuant to a takeover offer for Centamin).

These restrictions shall continue to apply until:

- the date seven days after the date on which the Board is satisfied the default is remedied;
- Centamin is notified the default shares are the subject of an exempt transfer; or
- the Board decides to waive them (in whole or in part).



## Website communication with Shareholders

The Articles enable Centamin to use its website as a means of sending documents to shareholders, provided that the shareholder has individually agreed or been deemed to agree (generally or specifically) that Centamin may send documents to him by means of a website. A Centamin Shareholder shall be deemed to have agreed that Centamin may send a document by means of a website if no response to a request is received within 28 days. When communicating with Centamin Shareholders by means of website communications, Centamin will notify the Centamin Shareholders (by post or other permitted means) of the publication of a document on the website. Under Canadian securities laws, Centamin is exempt from delivering certain financial information if a shareholder does not request such information to be delivered.

## Takeovers

### *UK City Code on Takeovers and Mergers*

As a company which has its registered office in the Channel Islands and whose securities are admitted to trading on the LSE's main market, Centamin is subject to the City Code on Takeovers and Mergers (the "**City Code**").

Rule 9 of the City Code stipulates, amongst other things, that except with the consent of the Panel, when:

- any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30% or more of the voting rights of a company; or
- any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 % of the voting rights of a company but is not interested in shares carrying more than 50% of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested,
- such person (and depending on the circumstances its concert parties) is required to extend a cash offer to the other shareholders in the company at a price not less than the highest price paid for interests in shares by the acquirer or its concert parties during the previous 12 months on the basis set out in the City Code.

Where a person or group of persons acting in concert are interested in shares carrying more than 50% of the voting rights in a company no obligation would normally arise to make a general offer under Rule 9 of the City Code if the concert party increases its aggregate interest in shares. However, even if the concert party is interested in shares carrying over 50% of the voting rights, the Takeover Panel may, amongst other things, regard any acquisition by a member that increases his interests in shares to 30% or more or, if he is already interested in 30% or more, which increases the percentage of shares carrying voting rights in which he is interested as giving rise to an obligation on that individual to make an offer. In the above summary, persons "acting in concert" are persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition by any of them of shares in Centamin, to obtain or consolidate control of Centamin.

Control means a holding, or aggregate holdings, of shares carrying 30% or more of the voting rights of Centamin, irrespective of whether the holding or holdings give de facto control.

*Squeeze out*

The Jersey Companies Law provides that where a person (the “Offeror”) makes a takeover offer to acquire all of the shares (or all of the shares of any class) in a Jersey company (other than any shares already held by the Offeror at the date of the offer), if the Offeror has by virtue of acceptances of the offer acquired or contracted to acquire not less than 90% in value of the shares (or class of shares) to which the offer relates, the Offeror may (subject to the requirements of the Jersey Companies Law), by notice to the holders of the shares (or class of shares) to which the offer relates which the Offeror has not already acquired or contracted to acquire, compulsorily acquire those shares. A holder of any shares who receives a notice of compulsory acquisition may, within six weeks from the date on which such notice was given, apply to the Jersey Court for an order that the Offeror not be entitled and bound to purchase the holder’s shares or that the Offeror purchase the holder’s shares on terms different to those of the Offeror’s offer.

*Sell Out*

Where before the end of the period within which the takeover offer can be accepted, the Offeror has by virtue of acceptances of the offer acquired or contracted to acquire not less than 90% in value of all of the shares (or all of the shares of a particular class) of the Jersey company, the holder of any shares (or class of shares) to which the offer relates who has not accepted the offer may, by written notice to the Offeror, require the Offeror to acquire the holder’s shares. The Offeror shall (subject to the requirements of the Jersey Companies Law) be entitled and bound to acquire the holder’s shares on the terms of the offer or on such other terms as may be agreed. Where a holder gives the Offeror a notice of compulsory acquisition, each of the Offeror and the holder of the shares is entitled to apply to the Jersey Court for an order that the terms on which the Offeror is entitled and bound to acquire the holder’s shares shall be such as the court thinks fit. As at the date of this Bidder’s Statement, the Centamin Directors are not aware of any public takeover bids by third parties in respect of the Centamin Shares which have occurred during the last financial year and the current financial year.

**Canadian Regulatory Issues***Tradeability of  
Centamin Shares*

The Consideration Shares being issued in connection with the Offer will be issued to Ampella Shareholders by Centamin in reliance upon exemptions from the prospectus and registration requirements of securities legislation in each applicable province and territory of Canada. Consideration Shares issued in connection with the Offer may (through a registered dealer unless the dealer registration requirements do not apply) be resold in each province and territory in Canada, subject to the usual conditions that (a) no unusual effort has been made to prepare the market or create a demand for the Centamin Shares, (b) the sale is not a control distribution, (c) that no extraordinary commission or consideration is paid in respect of such trade, and (d) if the selling Ampella Shareholder is an insider of Centamin, he or she has no reasonable grounds to believe that Centamin is in default of securities legislation.

In Canada, takeover bids are regulated primarily by provincial and territorial securities legislation and related rules. Unless an exemption from the formal takeover bid requirements under securities legislation is available or can be obtained, persons or companies making an offer to acquire shares in a jurisdiction where the subject shares, together with the offeror's securities (including any securities held by joint offerors), constitute in aggregate 20% or more of the outstanding shares of the company at the time of the offer are required to extend the offer to all securityholders in the jurisdiction. These provisions require, among other things, the production, filing and mailing of a takeover bid circular to shareholders of the target company. These provisions are applicable for securityholders whose address in the books of the corporation is in Canada. Takeover bids must treat all securityholders alike and must not involve any collateral agreements, with certain exceptions for employment compensation arrangements. Takeover bids must remain open for a minimum of 35 days from the date of the mailing of the circular, after which time all securities deposited under the offer may be taken up.

For the protection of target securityholders, the takeover bid rules contain various additional requirements, such as restrictions applicable to conditional offers and the withdrawal, amendment or suspension of offers. Securities regulators also retain a general 'public interest jurisdiction' to regulate takeovers and may intervene to halt or prevent activity that is abusive. Issuer bids are regulated similarly to takeover bids.

There are extensive disclosure requirements associated with takeover bids, beginning with 'early warning' disclosure required when an acquirer crosses the 10% ownership threshold. Generally, further disclosure is required for additional purchases of 2% or more of the outstanding security for which such early warning disclosure is required. Purchases outside the bid before, during and after the bid are also restricted.

Canadian securities laws allow certain exemptions to the formal bid requirements, on specified conditions. For example, private agreements to purchase securities from up to five persons are permitted if the purchase price does not exceed 115% of the market price. Under the normal course purchase exception, the offeror (together with any joint offerors) may acquire up to 5% of a class of securities within a 12 month period if there is a published market for the relevant class and the consideration paid does not exceed the market price at the date of acquisition.

## 15 Dealings in Ampella Securities

### 15.1 Acquisitions of Ampella Shares by Centamin and Centamin West Africa

On 10 December 2013, Centamin entered into a Pre-Bid Acceptance Agreement with Ampella's largest shareholder, Taurus. Centamin has a Relevant Interest in 46,631,423 Ampella Shares under the Pre-Bid Acceptance Agreement, giving it voting power as at the date of this Bidder's Statement and the date immediately before the first Offer is sent of 18.88%.

Under the Pre-Bid Acceptance Agreement, provided that no Superior Proposal has emerged, Taurus must irrevocably accept the Offer in respect of its Ampella Shares by no later than 5 Business Days after the date that Ampella lodges its Target's Statement with ASIC, which is expected to be the same date that this Bidder's Statement was lodged with ASIC.

See Section 13.2 and Section 18.4 for further details regarding the Pre-Bid Acceptance Agreement.

### 15.2 Ampella Shares acquired by Centamin West Africa and Associates

Neither Centamin West Africa nor any Associate of Centamin West Africa (including Centamin) has provided, or agreed to provide, consideration in the last 4 months before the date of this Bidder's Statement except as described in Section 15.1 above.

### 15.3 Escalation Agreements

Neither Centamin, Centamin West Africa nor any Associate of either of them has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

### 15.4 Collateral Benefits

During the 4 months before the date of this Bidder's Statement, neither Centamin, Centamin West Africa nor any Associate of either of them gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an associate of the other person, to:

- (1) accept the Offer; or
- (2) dispose of Ampella Shares,

and which is not offered to all Ampella Shareholders under the Offer.

## 16 Taxation considerations

### 16.1 Australian taxation considerations

#### (1) Introduction

The information in this section is intended to provide a general overview of the Australian income tax and capital gains tax ("CGT") implications for Ampella Shareholders who accept the Offer.

This summary is not intended to be comprehensive and is based upon Centamin West Africa's interpretation of legislation currently in force at the date of this Bidder's Statement. Ampella Shareholders should not rely on the information in this section as advice in relation to their own affairs. The Australian taxation laws are complex and there could be implications in addition to those described in this section. Ampella Shareholders should seek independent professional advice in relation to their own particular circumstances. Ampella Shareholders who are not resident in Australia should seek advice concerning tax implications in their country of residence.

The information in this section does not apply to the following Ampella Shareholders, who should obtain their own independent advice:

- non-resident Ampella Shareholders who hold a non-portfolio interest in Ampella for purposes of section 960-195 of the *Australian Income Tax Assessment Act 1936* (broadly, this means shareholders who together with associates hold or have held 10% or more of the Ampella Shares at any time during the 5 years preceding the date of acceptance of the Offer);
- non-resident Ampella Shareholders who hold their Ampella Shares in connection with a permanent establishment in Australia; and
- Ampella Shareholders who have received their Ampella Shares in their capacity as employees of Ampella.

#### (2) Australian tax consequences

The Australian tax consequences of disposing of your Ampella Shares will depend on a number of factors, including:

- whether you are an Australian resident or non-resident for tax purposes;
- whether you hold your Ampella Shares on capital or revenue account;
- the cost of acquiring your Ampella Shares;
- when you acquired your Ampella Shares;
- whether you are an individual, a company, a trustee of a trust or a complying superannuation entity; and
- whether Centamin West Africa acquires 80% or more of the Ampella Shares as a result of the Offer.

#### (3) Holding Ampella Shares on revenue or capital account

Broadly, if you acquired your Ampella Shares as part of a share trading business, as part of certain other businesses (eg, banking and insurance) or for the purpose of reselling them at a profit, then you may be treated as holding your Ampella Shares on revenue account.

If, on the other hand, you acquired your Ampella Shares as a passive investment, for example, with the intention of generating dividend income and/or long term capital growth, then you may be treated as holding your Ampella Shares on capital account.

#### (4) Ampella Shares held on revenue account

If you are an Australian resident and hold your Ampella Shares on revenue account, then you will be liable to Australian tax on any gain you make on the disposal of your Ampella Shares by accepting the Offer. Broadly, the amount of the gain liable to Australian tax will be the amount by which the disposal proceeds exceeds the cost or tax carrying value of the Ampella Shares you hold. The disposal proceeds will be equal to the capital proceeds (refer to Section 16.1(6) below). You must include any gain in your assessable income and it will be subject to Australian tax at applicable rates.

If, on the other hand, the cost of the Ampella Shares you hold exceeds the disposal proceeds you receive in respect of those Ampella Shares, then you will incur a loss equal to the excess. This loss may be offset against assessable income of the Ampella Shareholder.

If you are not an Australian resident and hold your Ampella Shares on revenue account, then you may be liable to Australian tax on any gain you make on the disposal of your Ampella Shares by accepting the Offer, if the gain has an Australian source and subject to any protection you are afforded from such taxation by a relevant double taxation agreement. The source of any gain will depend on a number of factors, including the place of contract to acquire and dispose of your Ampella Shares and the place of any activities relevant to the holding of your Ampella Shares.

If there is a double taxation agreement between Australia and the country in which you are resident, it may, for example, protect you from Australian tax on income if the gain is a business profit and you do not have a permanent establishment in Australia. Non-resident shareholders should seek independent taxation advice.

**(5) Ampella Shares held on capital account**

Ampella Shareholders who accept the Offer will dispose of their Ampella Shares by way of transfer to Centamin West Africa. This disposal will constitute a CGT event for Australian CGT purposes.

If you are an Australian resident and hold your Ampella Shares on capital account, in the absence of CGT scrip for scrip roll-over relief applying, you will be liable to CGT on any gain arising. The full amount of capital gain is liable to Australian tax unless you are entitled to a CGT discount. CGT scrip for scrip roll-over relief, capital proceeds, cost base and the CGT discount are explained in more detail below.

If you are not an Australian resident and hold your Ampella Shares on capital account, you will not be liable to CGT in respect of the disposal of your Ampella Shares, subject to your holding a non-portfolio interest in Ampella as mentioned in Section 16.1(1) above.

Ampella Shareholders whose cost base of acquiring their Ampella Shares is greater than the capital proceeds received will make a capital loss if they accept the Offer. Current year and carried forward capital losses may be offset against capital gains arising in the same year of income before application of any CGT discount (refer to paragraph (7) below) or other CGT concessions to determine the net capital gain. Any net capital gain is included in the Ampella Shareholder's assessable income. Capital losses may not be offset against other income for income tax purposes, but may be carried forward to offset against future capital gains subject to satisfying certain conditions.

**(6) Calculating the capital gain or loss**

Broadly, the amount of your capital gain will be the amount (if any) by which the capital proceeds received exceed the cost base of your Ampella Shares.

If you accept the Offer, the capital proceeds received by you will be the market value of the Consideration Shares you receive immediately after they are issued to you.

Your cost base in your Ampella Shares is used to determine whether any capital gain or loss arises for CGT purposes. Generally, cost base is made up of a number of elements. Broadly, this includes the acquisition cost, incidental costs of acquisition (such as broker's fees and stamp duty), and costs of owning, enhancing or preserving title to the asset which are not otherwise tax deductible.

Modifications to the general cost base rules may apply in certain circumstances, for example, if you have inherited shares by bequest or otherwise acquired shares on a non-arm's length basis.

**(7) CGT discount**

If you are an Australian resident individual, the trustee of a trust, or a complying superannuation entity, then you may reduce any capital gain otherwise liable to Australian tax provided that you acquired your Ampella Shares more than 12 months before disposing of them by accepting the Offer.

The CGT discount applicable to an individual or to the trustee of a trust is one half. The CGT discount applicable to a complying superannuation entity is one third. That is, the capital gain (after deduction of any capital losses) you take into account in working out your assessable income is reduced by one half or one third as appropriate. Trustees should seek specific tax advice concerning the tax consequences of distributions to beneficiaries attributable to discounted capital gains.



**(8) CGT scrip for scrip roll-over relief**

If:

- as a result of the Offer, Centamin West Africa acquires 80% or more of the voting shares in Ampella; and
  - you would otherwise make a capital gain on the disposal of your Ampella Shares,
- then you may choose CGT scrip for scrip roll-over relief to apply to the capital gain.

If you choose to obtain the CGT scrip for scrip roll-over relief, then your capital gain will be disregarded, and your cost base of the Consideration Shares will include an amount referable to the cost base of the Ampella Shares. Taxation of the capital gain is effectively deferred until the Consideration Shares received are disposed of. If you choose CGT scrip for scrip roll-over relief, then the choice must be made by the day you lodge your income tax return for the income year in which you accept the Offer. The way in which an Ampella Shareholder prepares its income tax return is evidence of the choice. There is no need to lodge a notice with the Australian Taxation Office.

A condition of the Offer is that the level of acceptance must result in Centamin West Africa acquiring a Relevant Interest in at least 90% of all Ampella Shares. However, Centamin West Africa reserves the right to waive this condition. As a result, Centamin West Africa may not acquire the number of Ampella Shares sufficient to bring its total interest in Ampella to at least 80% of voting shares, in which case the CGT scrip for scrip roll-over relief will not be available. Accordingly, holders of Ampella Shares seeking to choose CGT scrip for scrip roll-over relief should confirm the actual acceptance level for the Offer.

CGT scrip for scrip roll-over relief is not available if you would otherwise make a capital loss on the disposal of your Ampella Shares.

**(9) Future income derived from Centamin**

If you accept the Offer and are an Australian resident shareholder, you will be assessed on any dividends paid by Centamin.

If foreign withholding tax is payable on the dividends paid by Centamin, an Australian resident shareholder will be able to claim a foreign income tax offset for that withholding tax.

Dividends paid by Centamin are not able to be franked for Australian tax purposes, and an Australian resident shareholder in Centamin will not be able to benefit from any Australian tax paid by Ampella.

**(10) Goods and services tax and stamp duty**

No Australian goods and services tax or stamp duty will be payable by you as a consequence of accepting the Offer.

**16.2 Jersey tax considerations**

The following summary of the tax treatment in Jersey is based on the taxation law and practice in force at the date of this Bidder's Statement, and does not constitute legal or tax advice and Ampella Shareholders should be aware that the relevant fiscal rules and practice and their interpretation may change. Ampella Shareholders should consult their own professional advisors on the implications of subscribing for, buying, holding, selling, redeeming or disposing of Consideration Shares and the receipt of distributions, whether or not on a winding-up, with respect to the Consideration Shares under the laws of the jurisdictions in which they may be taxed.

**(1) Jersey Taxation of Centamin**

The Income Tax (Jersey) Law 1961, as amended, provides that the general basic rate of income tax on the profits of companies will be 0.0% and that only a limited number of financial services companies shall be subject to income tax at a rate of 10.0% (the **"Zero/Ten Regime"**).

A "financial services company" under the Income Tax (Jersey) Law 1961, as amended, means any company that:

- (a) is registered under the Financial Services (Jersey) Law 1998 to carry out:
  - (i) investment business; or
  - (ii) trust company business; or
  - (iii) fund services business, as an administrator or custodian in relation to an unclassified fund or an unregulated fund; or

- (b) is registered under the Banking Business (Jersey) Law 1991, other than a company registered for business continuity under that law, pursuant to Article 9A of the Banking Business (General Provisions) (Jersey) Order 2002; or
- (c) holds a permit under the Collective Investment Funds (Jersey) Law 1988 by virtue of being a functionary who is an administrator or custodian mentioned in Part 2 of the Schedule to that law.

Further the Jersey utility companies, Jersey property income including profits from Jersey property development and profits from Jersey quarrying (and similar) activities and, since 1 January 2012, profits from the importation and supply of hydrocarbon oils in Jersey, have been taxed at the rate of 20%.

On the basis that Centamin will not be carrying out any activities which fall into the higher rates of tax mentioned above, it should be subject to the basic rate of income tax of 0.0%.

In late 2009, it was reported that concerns had been raised by some members of the ECOFIN Code of Conduct Group as to whether the current Zero-Ten Regime for companies in Jersey could be interpreted as being outside the spirit of the EU Code of Conduct for Business Taxation. At that time, the Treasury and Resources Minister of the States of Jersey confirmed that he understood the fundamental importance of tax neutrality to Jersey's financial services industry and the requirement that this be maintained. ECOFIN met on 7 December 2010 and confirmed the report of the Code Group on Jersey's Zero-Ten Regime, which found that the combination of deemed distributions and the Zero-Ten Regime could give rise to harmful effects and proposed a review by the EU High Level Working Party on tax issues. In response, the Jersey Council of Ministers announced on 15 February 2011 that Jersey is to maintain its Zero-Ten Regime. However, to address ECOFIN's concerns, the deemed distribution and attribution rules were repealed with effect from January 2012. It is possible that, through consultation, other changes to the Zero-Ten Regime may be considered by the Jersey government. If you are in any doubt as to your tax position you should consult your professional adviser.

**(2) Taxation of Dividends**

Centamin Shareholders, including Jersey resident Centamin Shareholders, will not suffer deduction of tax on payment of dividends by Centamin. The attention of Jersey resident investors is drawn to Article 134A of the Income Tax (Jersey) Law 1961 (as amended), the effect of which may be, in certain circumstances, to render such a Jersey resident liable to income tax on any undistributed income or profits of Centamin (however, as from January 2012 this is no longer the case).

**(3) Taxation of Capital Gains and Estate and Gift Tax**

Under current Jersey law, there are no death or estate duties, capital gains, gift, wealth, inheritance or capital transfer taxes. No stamp duty or other transfer tax is levied in Jersey on the issue or transfer of ordinary shares. In the event of the death of an individual who is a Centamin Shareholder (whether or not a resident in Jersey), duty at rates of up to 0.75% of the value of the estate held may be payable on the registration of Jersey probate or letters of administration which may be required in order to transfer or otherwise deal with Centamin Shares held by the deceased individual.

**(4) Goods and Services Tax**

A 5.0% sales tax is generally paid in Jersey on the sale or exchange of goods and services used in Jersey. All businesses with a 12-month taxable turnover in excess of £300,000 must, by Jersey law, register for this tax. Centamin is an international service entity ("ISE") within the meaning of the Goods and Services (Jersey) Law 2007, having satisfied the requirements set out in Article 59 to this law and those set out in the Goods and Services Tax (International Services Entities) (Jersey) Regulations 2008, as amended, and for so long as it is, a supply of goods or of a service made by or to Centamin shall not be a taxable supply for the purposes of Jersey law.

Centamin will maintain ISE status if it continues to satisfy the requirements of Article 59 and the ISE Regulations if:

- the name of Centamin is entered onto the list of ISEs maintained by another ISE which is (i) authorised by the Jersey Comptroller of Taxes to maintain such list and (ii) registered under the Financial Services (Jersey) Law 1998 to carry on trust company business;
- the prescribed fee has been paid to the Jersey Comptroller of Taxes; and

- the following conditions are satisfied:
  - no more than 10.0% in value of all supplies of goods and services made by or to Centamin are made to or from individuals who belong in Jersey or, to the extent that the supplies of goods or services made by or to Centamin in Jersey exceed 10.0% of the value of all supplies of goods and services made by or to it, the supplies in Jersey are made only by or to an ISE;
  - no individual who belongs in Jersey has the effective use, or the effective enjoyment, of any asset owned or administered by Centamin; and
  - no individual who belongs in Jersey has the effective use, or the effective enjoyment, of any goods or services, supplied to or by Centamin.

### 16.3 Other tax considerations

Shares of a company which is incorporated in the UK or which maintains a share register in the UK ("**UK Shares**") will fall within the scope of UK stamp duty and stamp duty reserve tax ("**SDRT**"). Provided that any instruments of transfer (for example stock transfer forms) are executed outside of the UK, Centamin does not maintain a share register in the UK and the shares of Centamin are not paired with any UK Shares, any transfer of the shares of Centamin should fall outside the scope of UK stamp duty and SDRT. However, in the event that Centamin does maintain a share register in the UK, the stamp duty and SDRT regime set out below would apply.

Where UK Shares are held in certificated form, no stamp duty or stamp duty reserve tax will arise on a transfer of such shares into CREST unless such transfer is made for consideration in the form of money or money's worth, in which case a liability to SDRT (usually at a rate of 0.5 per cent of the amount or value of the consideration given) will arise. Transfers of UK Shares within CREST will generally be liable to SDRT at the rate of 0.5% of the amount or value of the consideration given, rather than stamp duty (which is a charge on documents).

A transfer of UK Shares outside CREST in certificated form, made for consideration in the form of cash, other shares or the assumption or discharge of debt will, subject to an exemption for certain low value transactions where the consideration does not exceed £1,000, give rise to a liability on the purchaser to stamp duty at the rate of 0.5% (rounded up to the nearest £5) of the consideration paid. In addition, a liability to SDRT will arise on the unconditional agreement to transfer the UK Shares, generally at the rate of 0.5% of the amount or value of the consideration given in the form of money or money's worth. However, the SDRT liability will be cancelled (and any SDRT which has been paid may be reclaimed) if, within six years of the date of the agreement to transfer the UK Shares becoming unconditional, an instrument of transfer is executed in pursuance of that agreement and the instrument is duly stamped to reflect that stamp duty has been correctly paid or an appropriate relief has been claimed.

Different rules may apply to dealings in Centamin Shares which are quoted on the TSX.

## 17 Terms of the Offer

### 17.1 What is the Offer?

- (1) Centamin West Africa offers to buy all of your Ampella Shares together with all Rights attached to them, on the terms set out in this Offer.
- (2) By accepting this Offer, you undertake to transfer to Centamin West Africa not only all of your Ampella Shares, but also all Rights attached to your Ampella Shares.

### 17.2 What is the Offer consideration?

- (1) The consideration offered is 1 Centamin Share for every 5 Ampella Shares you hold, with any fractional entitlements to Centamin Shares being rounded up or down to the nearest whole number, with fractions of less than half disregarded.
- (2) The Centamin Shares to be issued under this Offer ("**Consideration Shares**") will, from their date of issue, rank equally in all respects with existing Centamin Shares currently on issue.

### 17.3 What is the Offer Period?

- (1) The Offer opens on 13 January 2014.
- (2) The Offer will remain open for acceptance during the period commencing on the date of this Offer and ending at 7:00pm (Sydney time) on 13 February 2014, unless withdrawn or extended in accordance with the Corporations Act.
- (3) Centamin West Africa may extend the Offer Period in accordance with the Corporations Act. If such extension is made, the date specified in Section 17.10 for publication of the notice described in that Section will be varied accordingly.
- (4) If, within the last 7 days of the Offer Period, either of the following events occur:
  - (a) the Offer is varied to improve the consideration offered; or
  - (b) Centamin West Africa's Voting Power in Ampella increases to more than 50%,then the Offer Period will be automatically extended so that it ends 14 days after the relevant event, subject to any further extensions in accordance with the Corporations Act.

### 17.4 How do you accept the Offer?

#### (1) General

- (a) You may only accept the Offer in respect of all and not some of Ampella Shares.
- (b) You may accept the Offer at any time during the Offer Period.

#### (2) Issuer Sponsored Holdings

If you hold your Ampella Shares in an Issuer Sponsored Holding (your SRN starts with "I"), to accept the Offer you must:

- (a) complete and sign the accompanying Acceptance Form in accordance with the instructions on it. You can only accept the Offer in respect of all and not some of your Ampella Shares. If you do accept the Offer in respect of some of your Ampella Shares, you will be deemed to have accepted the Offer in respect of all of your Ampella Shares known to Centamin West Africa at the point of processing; and
- (b) return the completed Acceptance Form, and all other documents required by the instructions on the Acceptance Form, so that they are received before the end of the Offer Period at the address specified on the Acceptance Form.

#### (3) CHESS Holdings

If your Ampella Shares are in a CHESS Holding (your HIN starts with "X") and you are not a Participant, to accept the Offer in respect of Ampella Shares you must either:

- (a) instruct your Controlling Participant to initiate the acceptance on your behalf under rule 14.14 of the ASX Settlement Operating Rules in respect of your Ampella Shares, before the end of the Offer Period; or

- (b) authorise Centamin West Africa to instruct your Controlling Participant on your behalf to initiate acceptance of the Offer in accordance with rule 14.14 of the ASX Settlement Operating Rules in respect of your Ampella Shares, by completing, signing and returning the accompanying Acceptance Form in accordance with the instructions on it (together with all documents required by the instructions on the Acceptance Form), at the address specified in the Acceptance Form in sufficient time for it to be processed before the end of the Offer Period.

If you are a Participant, you may yourself initiate acceptance under rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.

If Ampella Shares are in a CHESS Holding, you must comply with any other applicable ASX Settlement Operating Rules.

**(4) Acceptance Form and other documents**

- (a) The Acceptance Form forms part of the Offer.
- (b) If your Acceptance Form (together with all documents required by the instructions on the Acceptance Form) is returned by post, for your acceptance to be valid you must ensure that it is posted and delivered in sufficient time for it to be received by Centamin West Africa at the address specified on the Acceptance Form before the end of the Offer Period.
- (c) When using the Acceptance Form to accept this Offer in respect of Ampella Shares in a CHESS Holding, you must ensure that the Acceptance Form (together with all documents required by the instructions on the Acceptance Form) are received by Centamin West Africa in sufficient time for Centamin West Africa to instruct your Controlling Participant to initiate acceptance of this Offer on your behalf in accordance with rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
- (d) The postage and transmission of the Acceptance Form and other documents is at your own risk.

**(5) Effect of Acceptance**

- (a) Once you have accepted the Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you and you will be unable to withdraw your Ampella Shares from the Offer, or otherwise dispose of your Ampella Shares, except as follows:
- (i) if, by the relevant times specified in Section 17.4(5)(b), the Conditions in Section 17.7 have not all been fulfilled or waived in accordance with Section 17.8, the Offer will automatically terminate and Centamin West Africa will not acquire your Ampella Shares under the Offer; or
- (ii) if the Offer is varied in a way that postpones for more than one month the time Centamin West Africa has to meet its obligations under the Offer and, at the time, the Offer is subject to one or more of the Conditions in Section 17.7, you may be able to withdraw your acceptance and Ampella Shares.
- (b) The relevant times for the purposes of Section 17.4(5)(a)(i) are:
- (i) in relation to the matters set out in section 652C of the Corporations Act – three business days after the end of the Offer Period; and
- (ii) in relation to the Conditions in Section 17.7 – the end of the Offer Period.
- (c) By signing and returning the Acceptance Form or otherwise accepting the Offer pursuant to Section 17.4, you:
- (i) accept the Offer (and any variation of it) in respect of all of your Ampella Shares;
- (ii) agree to transfer to Centamin West Africa all of your Ampella Shares, subject to the Conditions set out in Section 17.7 being fulfilled or waived by Centamin West Africa;

- (iii) represent and warrant to Centamin West Africa that at the time of acceptance as a fundamental condition going to the root of the contract resulting from your acceptance, and the time the transfer of Ampella Shares to Centamin West Africa is registered;
  - (A) all your Ampella Shares are and will be fully paid up, and Centamin West Africa will acquire good title to them and full beneficial ownership of them free from all Third Party Rights;
  - (B) that you have full power and capacity to accept the Offer and to sell and transfer the legal and beneficial ownership in your Ampella Shares to Centamin West Africa; and
  - (C) unless you have notified Centamin West Africa in accordance with Section 17.12, your Ampella Shares do not consist of separate parcels;
- (iv) irrevocably appoint Centamin West Africa and each Centamin West Africa Director, secretary and nominee of Centamin West Africa jointly and severally with effect from the time on which all the Conditions (set out in Section 17.7) have been fulfilled or waived, as your attorney with power to exercise all the powers and rights which you could lawfully exercise as the registered holder of your Ampella Shares, including:
  - (A) attending any meeting of Ampella and voting in respect of your Ampella Shares, proposing or seconding any motion and demanding a poll for any vote at, any such meeting;
  - (B) requisitioning the convening of any general meeting of Ampella and convening a general meeting pursuant to any such requisition;
  - (C) signing any form, notice, instrument or other document (including any proxy appointment) relating to your Ampella Shares; and
  - (D) executing all such instruments as Centamin West Africa may require for the purpose of vesting good title in your Ampella Shares and all Rights attaching to your Ampella Shares in Centamin West Africa;
- (v) with effect from the time and date on which all the conditions to this Offer in Section 17.7 have been fulfilled or freed, irrevocably appoint Centamin West Africa (and each Centamin West Africa Director, secretary and nominee of Centamin West Africa) jointly and severally as your attorney with power to attend and vote in person or by proxy at all general meetings of Ampella on your behalf in respect of your Ampella Shares until the earlier of the withdrawal of your acceptance under section 650E of the Corporations Act or the end of the Offer Period or, if all the Conditions (set out in Section 17.7) have been fulfilled or waived, the registration of Centamin West Africa as the holder of your Ampella Shares;
- (vi) with effect from the time and date on which all the conditions to this Offer in Section 17.7 have been fulfilled or freed, agree that in exercising the powers conferred by the power of attorney in Sections 17.4(5)(c)(iv) and 17.4(5)(c)(v), Centamin West Africa or the Centamin West Africa Directors, secretaries and nominees are entitled to act in the interests of Centamin West Africa;
- (vii) with effect from the time and date on which all the conditions to this Offer in Section 17.7 have been fulfilled or freed, agree not to attend or vote in person at any general meeting of Ampella, or to exercise or purport to exercise any of the powers conferred on Centamin West Africa or its nominee in Sections 17.4(5)(c)(iv) and 17.4(5)(c)(v) during the relevant periods referred to in that Section;
- (viii) indemnify Centamin West Africa against any claim or action against it for any loss, damage or liability incurred by it as a result of you not producing your Holder Identification Number (“**HIN**”) or Securityholder Reference Number (“**SRN**”) or in consequence of the transfer of your Ampella Shares being registered by Ampella without production of your HIN or SRN for your Ampella Shares;



- (ix) if your Ampella Shares are in a CHESS Holding, from the date of the Offer becoming unconditional irrevocably authorise Centamin West Africa (or any nominee or nominees of Centamin West Africa) to:
  - (A) instruct your Controlling Participant to initiate acceptance of the Offer in respect of your Ampella Shares in accordance with the ASX Settlement Operating Rules;
  - (B) give any other instructions in relation to your Ampella Shares to your Controlling Participant on your behalf under the sponsorship agreement between you and the Controlling Participant; and
  - (C) even though Centamin West Africa has not yet paid or provided the consideration due to you, transmit a message to ASX in accordance with rule 14.17 of the ASX Settlement Operating Rules so as to enter your Ampella Shares which are in a CHESS Holding to the Takeover Transferee Holding;
- (x) if your Ampella Shares are in an Issuer Sponsored Holding, from the date of the Offer becoming unconditional irrevocably authorise Centamin West Africa (or any nominee or nominees of Centamin West Africa) to transfer your Ampella Shares into Centamin West Africa's name even though Centamin West Africa has not yet paid or provided the consideration due to you;
- (xi) irrevocably authorise Centamin West Africa (or any nominee or nominees of Centamin West Africa) to alter the Acceptance Form by inserting such details as are omitted in respect of your Ampella Shares and by rectifying any errors in or omissions from it as may be necessary to make it an effective acceptance of the Offer or to enable registration of the transfer of your Ampella Shares to Centamin West Africa;
- (xii) irrevocably authorise and direct Ampella to pay to Centamin West Africa, or to the account of Centamin West Africa for, all Rights in respect of your Ampella Shares. If the Offer is withdrawn, rescinded or rendered void, Centamin West Africa will account to you for any such Rights received by Centamin West Africa;
- (xiii) irrevocably authorise Centamin West Africa to notify Ampella on your behalf that your place of address for the purpose of serving notices upon you in respect of your Ampella Shares is Centamin West Africa's registered office; and
- (xiv) agree, subject to the Conditions of the Offer in Section 17.7 being fulfilled or waived, to execute all such documents, transfers and assurances as may be necessary or desirable to convey your Ampella Shares registered in your name and attaching Rights to Centamin West Africa.
- (d) Centamin West Africa may, at any time, in its sole discretion and without further communication to you, determine that any Acceptance Form it receives is a valid acceptance, even if one or more of the requirements for acceptance has not been complied with, but if Centamin West Africa does so, Centamin West Africa is not obliged to make the consideration available to you until all of the requirements for acceptance have been met.
- (e) Centamin West Africa may, at any time, in its sole discretion and without further communication to you, determine all questions as to the form of documents, eligibility to accept the Offer and the time of receipt of an acceptance of the Offer. Centamin West Africa is not required to communicate with you prior to making this determination. The determination of Centamin West Africa will be final and binding on the parties.
- (f) The representations, warranties and authorities referred to in Section 17.4(5)(c) will remain in force after you receive the consideration for your Ampella Shares and after Centamin West Africa becomes registered as the holder of your Ampella Shares.

## 17.5 Allotment of Consideration Shares

- (1) Subject to this Section 17.5 and the Corporations Act, if you have accepted the Offer and the contract resulting from your acceptance becomes unconditional, Centamin West Africa will procure that Centamin will issue you (of if you are an Ineligible Foreign Shareholder or a Small Shareholder, to the Sale Facility Agent) the Consideration Shares that you are or would be entitled to under the Offer on or before the earlier of:
- (a) the date that is one month after the date of your acceptance or, if the Offer is subject to a Condition when you accept the Offer, one month after the contract resulting from your acceptance of the Offer becomes unconditional; and
  - (b) 21 days after the end of the Offer Period,
- by causing your name and registered address to be entered in Centamin's register of members as the holder of the relevant number of Consideration Shares.
- (2) Where the Acceptance Form requires an additional document to be given with your acceptance to enable Centamin West Africa to become the holder of your Ampella Shares (such as a power of attorney):
- (a) if the document is delivered with your acceptance, Centamin West Africa will procure the provision of the consideration in accordance with Section 17.5(1);
  - (b) if that document is given after acceptance and before the end of the Offer Period, while the Offer is subject to a Condition, Centamin West Africa will procure that Centamin will issue the Consideration Shares due to you for your Ampella Shares by the earlier of:
    - (i) one month after the contract resulting from your acceptance of the Offer becomes unconditional; and
    - (ii) 21 days after the end of the Offer Period;
  - (c) if that document is delivered after acceptance and before the end of the Offer Period, while the Offer is not subject to a Condition, Centamin West Africa will procure that Centamin will issue the Consideration Shares due to you for your Ampella Shares by the earlier of:
    - (i) one month after that document is delivered; and
    - (ii) 21 days after the end of the Offer Period;
  - (d) if that document is given after the end of the Offer Period, Centamin West Africa will procure that Centamin will issue the Consideration Shares within 21 days after that document is given. However, if at the time the document is given, the contract is still subject to a Condition that relates to a circumstance or event referred to in section 652C(1) or (2) of the Corporations Act, Centamin will issue the Consideration Shares due to you for your Ampella Shares within 21 days after the Offer becomes unconditional; and
  - (e) if you do not give the document to Centamin West Africa within one month after the end of the Offer Period, Centamin West Africa may, in its sole discretion, rescind the contract resulting from your acceptance of the Offer.
- (3) If you accept the Offer, Centamin West Africa is entitled to all Rights in respect of your Ampella Shares. Centamin West Africa may require you to provide all documents necessary to vest title to those Rights in Centamin West Africa, or otherwise to give it the benefit or value of those Rights. If you do not do so, or if you have received the benefit of those Rights, Centamin West Africa will be entitled to deduct from the consideration otherwise due to you the amount or value, reasonably assessed by Centamin West Africa of those Rights. If Centamin West Africa does not, or cannot, make such a deduction, you must pay that amount to Centamin West Africa.
- (4) If at any time after you accept the Offer any of the following:
- (a) *Autonomous Sanctions Act 2011*;
  - (b) *Autonomous Sanctions Regulations 2011*;
  - (c) *Banking (Foreign) Exchange Regulations 1959 (Cth)*;

- (d) Part 4 of the *Charter of the United Nations Act 1945* (Cth);
- (e) any regulation made under the *Charter of the United Nations Act 1945* (Cth) from time to time; or
- (f) any other law of Australia, Canada or the UK,

require that an authority, clearance or approval of the Department of Foreign Affairs and Trade, Reserve Bank of Australia, the Australian Taxation Office or any other government authority be obtained before you receive any consideration for your Ampella Shares, or would make it unlawful for Centamin West Africa to provide consideration to you for your Ampella Shares, you will not be entitled to receive consideration for your Ampella Shares until all requisite authorities, clearances or approvals have been received by Centamin West Africa.

## 17.6 Issue and quotation of Consideration Shares

Unless you are an Ineligible Foreign Shareholder or Small Shareholder, if you accept the Offer and the Offer is declared unconditional, settlement of the consideration to which you are entitled will be effected in the following manner:

### (1) Election for Consideration Shares in uncertificated form (that is, in CREST)

If in the Acceptance Form or your acceptance via CHES you elect to receive your Consideration Shares in uncertificated form, subject to this Section 17.6(1), the Consideration Shares to which you are entitled will be issued to you in uncertificated form through CREST. Centamin West Africa will procure that Euroclear UK & Ireland are instructed to credit your stock account or the stock account of the nominee you formally direct Centamin West Africa to procure the issue of your entitlement to Consideration Shares to CREST.

You may be able to receive Consideration Shares in uncertificated form (that is through CREST) provided that you:

- (a) have confirmed to Centamin West Africa's satisfaction that you are entitled to receive your Consideration Shares in uncertificated form through CREST or that you have properly identified the CREST account of your nominee that you wish to direct your Consideration Shares in uncertificated form through CREST, and have verified that you have given your nominee instructions to receive these Consideration Shares in CREST; and
- (b) have provided all relevant CREST settlement details to Computershare Investor Services PLC, in each case before 7:00pm (Sydney time) on the date the Offer closes.

If you believe you are eligible you will need to contact the email **!AIJEGlobalTransactionTeam@computershare.co.je** to obtain further details and appropriate documentation. Unless eligibility and valid CREST settlement details can be confirmed you will receive Consideration Shares in certificated form.

Centamin West Africa reserves the right to procure the issue of the Consideration Shares referred to in this section to all or any Ampella Shareholder(s) who accept the Offer in certificated form in the manner referred to in Section 17.6(2) below if, for any reason, it wishes to do so.

### (2) Election for Consideration Shares in certificated form (that is, outside CREST)

If in the Acceptance Form you elect to receive your Consideration Shares in certificated form, do not make an election or make an indistinct election, the Consideration Shares to which you are entitled will be issued in certificated form. Definitive certificates for Consideration Shares will be despatched by post at the accepting Ampella Shareholder's risk to the address appearing in the latest copy of the register of members of Ampella provided to Centamin West Africa. Definitive certificates will be issued 1 month after the later of the date you accept the Offer and the date the Offer becomes, or is declared, unconditional and, in any event, no later than 21 days after the end of the Offer Period.

## 17.7 Conditions of the Offer

Subject to Section 17.8, the Offer, the completion of the Offer and any contract arising from the acceptance of the Offer, are subject to fulfilment or waiver of the following conditions:

**(1) Minimum acceptance condition**

At the end of the Offer Period, Centamin and its Associates have a Relevant Interest in more than 90% (by number) of all of the Ampella Shares both on an undiluted and on a fully-diluted basis.

**(2) No Prescribed Occurrences**

During the period between the date of the Takeover Bid Implementation Deed and the End Date (both inclusive), no Prescribed Occurrence happens, that is any of the following occurs where that occurrence was not consented to by Centamin or is not the result of Ampella taking or procuring any action required to be taken or procured by it under the Takeover Bid Implementation Deed:

- (a) Ampella converting all or any of its shares into a larger or smaller number of shares under section 254H of the Corporations Act;
- (b) a member of the Ampella Group resolving to reduce its share capital in any way;
- (c) a member of the Ampella Group entering into a buy-back agreement or resolving to approve the terms of such an agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (d) a member of the Ampella Group making an issue of its shares (other than pursuant to the exercise of any Ampella Options or the vesting of Ampella Performance Rights existing at the date of the Takeover Bid Implementation Deed) or granting an option over its shares or agreeing to make such an issue or grant such an option;
- (e) a member of the Ampella Group issuing, or agreeing to issue, convertible notes;
- (f) a member of the Ampella Group disposes, or agrees to dispose, of the whole or a substantial part of its business or property;
- (g) a member of the Ampella Group resolving that it be wound up;
- (h) the appointment of a liquidator or provisional liquidator of a member of the Ampella Group;
- (i) the making of an order by a court for the winding up of a member of the Ampella Group;
- (j) an administrator of a member of the Ampella Group being appointed under section 436A, 436B or 436C of the Corporations Act;
- (k) a member of the Ampella Group executing a deed of company arrangement;
- (l) the appointment of a receiver or a receiver and manager in relation to the whole, or a substantial part, of the property of a member of the Ampella Group;
- (m) a member of the Ampella Group agrees to pay, declares or pays a dividend or any other form of distribution of profit or capital, other than the declaration and payment by any Subsidiary of Ampella of a dividend where the recipient of that dividend, is Ampella or a wholly-owned Subsidiary of Ampella;
- (n) Ampella makes any change to its constitution;
- (o) a member of the Ampella Group disposes of, or agrees to dispose of, or creates or agrees to create an equity interest in respect of:
  - (i) any assets (including, without limitation, under any off-take or similar deed), properties or businesses, whether in one transaction or a number of such transactions; or
  - (ii) any exploration licence, research permit, exploitation licence or industrial operating permit or tenement (including the Applications and Tenements) or any geological data associated with any mining licence or tenement;
- (p) a member of the Ampella Group creates, or agrees to create, any encumbrance over its business or any part of its property other than in the ordinary course of its business;
- (q) a member of the Ampella Group incurs any financial indebtedness or issues any debt securities, other than:
  - (i) in the ordinary course of business; or
  - (ii) pursuant to advances under its credit facilities in existence as at the date of the Takeover Bid Implementation Deed where the funds drawn pursuant to those advances are used in the ordinary course of business;

- (r) a member of the Ampella Group ceases, or threatens to cease, to carry on business;
- (s) a member of the Ampella Group is deregistered as a company or otherwise dissolved;
- (t) a member of the Ampella Group enters into any arrangement, commitment or deed with a related party (as that term is defined in section 228 of the Corporations Act), other than in the ordinary course of business;
- (u) any member of the Ampella Group:
  - (i) increases the remuneration of, pays any bonus (other than in accordance with existing contractual entitlements as at the date of the Takeover Bid Implementation Deed) to or otherwise varies the employment arrangements of any Ampella Director or any employee of the Ampella Group (collectively, **"Relevant Ampella Employees"**), other than in accordance with existing contractual entitlements;
  - (ii) issues any securities, Ampella Options or Ampella Performance Rights to any of the employees of the Ampella Group; or
  - (iii) accelerates the rights of any such employee to compensation or benefits of any kind (including, without limitation, under the Employee Performance Rights Plan, Employee Share Acquisition Plan or Employee Share Options Plan and including, without limitation, by vesting any outstanding Ampella Performance Rights, except for the automatic vesting of Ampella Performance Rights in accordance with their terms, it being acknowledged that the terms of the Ampella Performance Rights provide that they vest automatically if certain conditions relating to the Offer are satisfied);
  - (iv) pays any of the Relevant Ampella Employees termination or retention payments (otherwise than in accordance with contractual entitlements existing at the date of the Takeover Bid Implementation Deed which were disclosed to Centamin prior to the date of the Takeover Bid Implementation Deed); or
  - (v) enters into, amends or terminates any Material Contract that is material to the conduct of the businesses of the Ampella Group.

**(3) Minimum Cash Condition**

That at all times between the date of the Takeover Bid Implementation Deed and the earlier of 31 January 2014 and the date on which Centamin West Africa's Voting Power in Ampella is equal to or greater than 50%, Ampella has at least \$10,000,000 in Cash.

**(4) LSE Approval**

The LSE shall have conditionally approved the listing of the Consideration Shares to be issued in connection with the Offer.

**(5) No Other Regulatory Approval**

No Regulatory Authority has issued or taken steps to issue an order, temporary restraining order, preliminary or permanent injunction, decree or ruling or taken any action enjoining, restraining or otherwise imposing a legal restraint or prohibition preventing the consummation of the acquisition by Centamin West Africa of all Ampella Shares under the Offer or has refused to do anything necessary to permit the acquisition and no such order, decree, ruling, other action or refusal is in effect.

**(6) No Ampella Material Adverse Change**

During the Offer Period:

- (a) no event, change, condition, matter or thing occurs which has, will or is reasonably likely to have a material adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of the Ampella Group taken as a whole (whether individually or when aggregated with one or more other events, matters or things); or
- (b) no event, matter or thing, as described in sub-paragraph (a), which occurred before the date of the Takeover Bid Implementation Deed but was not apparent from publicly available information before then, becomes public,

where the financial impact of such event, change, condition, matter or thing on the Ampella Group exceeds \$2,000,000, other than any such event, change, condition, matter or thing:



- (c) required to be done or procured by Ampella pursuant to the Takeover Bid Implementation Deed;
- (d) relating to changes affecting the global gold industry or security markets generally or a change in the market price of gold which impacts on Ampella and its competitors in a similar manner;
- (e) that is an actual event, matter or thing which is known to Centamin prior to the date of the Takeover Bid Implementation Deed (which does not include knowledge of the risk of an event, occurrence or matter happening);
- (f) directly resulting from any actions taken (or omitted to be taken) upon the request of Centamin; or
- (g) any change in taxation rates or the law relating to taxation or accounting policy which impacts on Ampella and its competitors in a similar manner.

Without limitation to any other part of this Condition, the following events will have the effect referred to in sub-paragraph (a) where they have a financial impact on the Ampella Group of more than \$2,000,000:

- (h) an outbreak of hostilities (whether war is declared or not) or terrorism, mobilisation of armed forces, civil or political unrest or labour disturbance, fire or natural disaster or a material increase in the intensity of any such event existing as at the date of the Takeover Bid Implementation Deed which has a material adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of the Ampella Group taken as a whole;
- (i) any introduction, enactment, repeal, amendment or other change in any rule, regulation or provision of any other statute, law or regulation concerning, affecting or relating to any of the Tenements or the Applications that would have a material adverse effect on any member of the Ampella Group; and
- (j) a Regulatory Body or other body withdraws, revokes, cancels, amends or suspends an approval, consent, licence or permit granted to or held by the Ampella Group (or expresses an intention to do any of these things).

**(7) No breach of Ampella Warranty**

During the Offer Period, there is no Warranty Breach under the Takeover Bid Implementation Deed.

**(8) Status of Key Tenements**

During the Offer Period, there not being any material adverse change in the status or the terms of the Tenements or the Applications.

**17.8 Nature and benefit of Conditions**

- (1) All of the Conditions in Section 17.7 are conditions subsequent. The non-fulfilment of any condition subsequent does not, until the end of the Offer Period, prevent a contract to sell Ampella Shares from arising on acceptance of the Offer, but any breach or non-fulfilment of it entitles Centamin West Africa by written notice to you, to rescind the contract that results from your acceptance of the Offer.
- (2) Subject to the Corporations Act, Centamin West Africa alone is entitled to the benefit of the Conditions in Section 17.7 or to rely on any breach or non-fulfilment of any of them.
- (3) Each Condition in Section 17.7 is a separate, several and distinct condition. No Condition to which the Offer is subject will be taken to limit the meaning or effect of any other Condition.
- (4) Subject to the Corporations Act, Centamin West Africa may at any time and from time to time waive (generally, or in respect of a particular event) the breach of non-fulfilment of any Condition in Section 17.7 or any part of the Condition.

**17.9 Freeing Offer of Conditions**

- (1) Centamin West Africa may free the Offer and any contract resulting from acceptance of the Offer from any of the Conditions in Section 17.7 generally or in relation to any specific occurrence by giving notice in writing to Ampella declaring the Offer to be free from the relevant Condition or Conditions specified in accordance with section 650F of the Corporations Act. This notice may be given:



- (a) in the case of those matters set out in section 652C of the Corporations Act – not later than 3 business days after the end of the Offer Period; and
  - (b) in the case of the Conditions in Section 17.7 – not less than 7 days before the end of the Offer Period.
- (2) If, at the end of the Offer Period (or in the case of the those matters set out in section 652C of the Corporations Act, within three business days after the end of the Offer Period), the Conditions in Section 17.7 have not been fulfilled and Centamin West Africa has not declared the Offer (or it has not become) free from those Conditions, all contracts resulting from the acceptance of the Offer will automatically become void.

#### 17.10 Notice of status of Conditions

The date for giving the notice on the status of the Conditions required by section 630(1) of the Corporations Act is 6 February 2014 (subject to extension in accordance with section 630(2) of the Corporations Act if the Offer is extended).

#### 17.11 The Offerees

- (1) The Offer is being made to each person registered as the holder of Ampella Shares in the register of Ampella Shareholders on the Record Date. This Offer also extends to:
  - (a) all Ampella Shares that are issued during the period from the Record Date to the end of the Offer Period due to the exercise of the Ampella Options or the vesting of Ampella Performance Rights that are on issue as at the Record Date; and
  - (b) any person who becomes registered as the holder of Ampella Shares during the period from the Record Date to the end of the Offer Period.
- (2) Centamin West Africa may apply to ASIC for modifications or waivers of the Corporations Act to allow the Offer to extend to certain other Ampella Shares issued after the Record Date.
- (3) If, at the time the Offer is made to you, or at any time during the period from the Record Date to the end of the Offer Period, another person is registered as the holder of your Ampella Shares, a corresponding offer on the same terms and conditions as this Offer, will be deemed to have been made to:
  - (a) that other person in respect of those Ampella Shares; and
  - (b) you in respect of any other Ampella Shares you hold to which the Offer relates, and this Offer will be deemed to have been withdrawn immediately at that time.
- (4) If Ampella Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee, you should contact that nominee for assistance in accepting the Offer.

#### 17.12 Offer to Ineligible Foreign Shareholders

- (1) If you are a person whose address as shown in the register of members of Ampella is in a jurisdiction other than Australia, its external territories or Canada and the law of that jurisdiction makes it, in the reasonable opinion of Centamin West Africa, unlawful or too onerous for Centamin West Africa to make the Offer to you and to procure that Centamin issue you with Consideration Shares then you will be taken to be an **"Ineligible Foreign Shareholder"**. As an Ineligible Foreign Shareholder, you will not be entitled to receive Consideration Shares as consideration for your Ampella Shares.
- (2) Centamin West Africa will, unless satisfied that the laws of an Ampella Shareholder's country of residence (as shown in the Register) permit the issue of Consideration Shares by Centamin to the Ampella Shareholder (either unconditionally or after compliance with conditions which Centamin West Africa regards in its sole discretion as acceptable and not unduly onerous and not unduly impracticable), procure the issue of the Consideration Shares to which an Ineligible Foreign Shareholder would otherwise become entitled, to a nominee appointed by Centamin West Africa and for which approval has been sought from ASIC (**"Sale Facility Agent"**) who will sell those Consideration Shares and pay to that Ineligible Foreign Shareholder the net proceeds received, after deducting any applicable brokerage, taxes and charges in accordance with the Offer (calculated on an averaged basis so that all Ineligible Foreign Shareholders receive the same price per Consideration Share, subject to rounding).

### 17.13 Offer to Small Shareholders

- (1) If you are an Ampella Shareholder whose holding of Ampella Shares is such that the total number of Consideration Shares which you are entitled to be issued is a Small Parcel, then you are a **"Small Shareholder"**. As a Small Shareholder, you will not be entitled to receive Consideration Shares as consideration for your Ampella Shares.
- (2) A **"Small Parcel"** is the number of Consideration Shares the value of which is less than A\$500 based on the highest closing price for Centamin Shares published by the LSE or the TSX during the period beginning on the date of this Bidder's Statement and ending on the earlier of 5 trading days before the first day on which Centamin West Africa must procure the issue of Consideration Shares to an Ampella Shareholder under the Offer and the Closing Date.

### 17.14 Sale Facility

- (1) If Section 17.12 or Section 17.13 applies:
  - (a) Centamin West Africa will arrange for the Sale Facility Agent to be issued the Consideration Shares to which you (and other Ampella Shareholders to whom Section 17.12 or Section 17.13 applies) would have become entitled to receive under the Offer but for Section 17.12 or Section 17.13;
  - (b) cause the Sale Facility Agent to sell on-market on the LSE, or cause the Sale Facility Agent to procure the on-market sale, on the LSE or TSX, of all Consideration Shares issued to the Sale Facility Agent under Section 17.14(1)(a) as soon as reasonably practicable after the Closing Date;
  - (c) after the sale of Consideration Shares pursuant to Section 17.14(1)(b), cause the Sale Facility Agent to procure the payment of the amount which is received by the Sale Facility Agent upon the sale of all Consideration Shares to which Section 17.12 or Section 17.13 applies less, stamp duty and other sale expenses (**"Net Proceeds of Sale"**) to Computershare;
  - (d) Computershare (as paying agent for Centamin West Africa) will pay, or procure the payment of the proportion of the Net Proceeds of Sale to which you are entitled to receive (**"Your Entitlement"**), ascertained in accordance with the following formula:

$$\text{Your Entitlement} = \text{Net Proceeds of Sale} \times (A/B)$$

Where:

- A** is the number of Consideration Shares which Centamin West Africa would otherwise be required to procure that Centamin issue to you as a result of the acceptance of the Offer; and
  - B** is the total number of Consideration Shares issued to the Sale Facility Agent under Section 17.5; and
- (e) under no circumstances, will interest be paid on Your Entitlement of the Net Proceeds of Sale regardless of any delay in remitting those proceeds to you.
- (2) Payment will be made by cheque in Australian dollars posted to you at your risk by ordinary mail. All sums received for Consideration Shares which are in a currency other than Australian dollars will be converted to Australian dollars using an exchange rate selected at the discretion of the Sale Facility Agent.
  - (3) Notwithstanding anything else in the Bidder's Statement, Centamin West Africa is under no obligation to spend any money, or undertake any action, in order to satisfy itself that a person is not an Ineligible Foreign Shareholder or a Small Shareholder and is therefore able to receive Consideration Shares under the Offer or their share of the Net Proceeds of Sale as set out in this Section 17.14.
    - (a) If your whereabouts are unknown, Your Entitlement will be paid into a separate bank account and held until claimed or applied under laws dealing with unclaimed moneys.
  - (4) You appoint Ampella as your agent to receive on your behalf any financial services guide or other notices (including any updates of those documents) that the Sale Facility Agent is required to provide to you under the Corporations Act.

### 17.15 Trustees and nominees

- (1) If at any time during the Offer Period you are registered as the holder of one or more parcels of Ampella Shares as trustee or nominee for, or otherwise on account of, another person, section 653B of the Corporations Act will apply so that Centamin West Africa is taken to have made a separate and distinct offer to you for each distinct parcel of Ampella Shares including any distinct parcel held in your own right. Acceptance by you of the Offer for any distinct parcel of Ampella Shares is ineffective unless:
  - (a) you give Centamin West Africa notice stating that Ampella Shares consist of distinct parcels; and
  - (b) your acceptance specifies the number of Ampella Shares in each distinct parcel to which the acceptance relates.
- (2) The notice required under Section 17.15(1):
  - (a) if it relates to Ampella Shares not in a CHESS Holding, must be in writing; or
  - (b) if it relates to Ampella Shares in a CHESS Holding, must be in an electronic form approved by Centamin West Africa.

### 17.16 Withdrawal of Offer

- (1) The Offer may be withdrawn with the consent in writing of ASIC, which consent may be subject to conditions.
- (2) If the Offer is withdrawn, all contracts arising from its acceptance will become void.

### 17.17 Variation of Offer

Centamin West Africa reserves the right to vary the Offer in accordance with the Corporations Act.

### 17.18 No stamp duty or brokerage

- (1) There will be no stamp duty payable by you on the transfer of Ampella Shares to Centamin West Africa.
- (2) As long as Ampella Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to Centamin West Africa, you will not incur brokerage in connection with your acceptance of the Offer.
- (3) If Ampella Shares are registered in a CHESS Holding, or if you are a beneficial owner whose Ampella Shares are registered in the name of a broker, bank, custodian or other nominee, you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transactional fees or service charges in connection with acceptance of the Offer.

### 17.19 Power of attorney

If the Acceptance Form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power and is empowered to delegate powers under the power of attorney under Sections 17.4(5)(c)(iv).

### 17.20 Governing Law

This Offer and any contract that results from your acceptance of the Offer are governed by the laws in force in Western Australia, Australia.

## 18 Other material information

### 18.1 Introduction

There is no other information that is material to the making of the decision by a holder of Ampella Shares whether to accept the Offer, which is known to Centamin West Africa, other than the following information.

### 18.2 Takeover Bid Implementation Deed

As announced on 10 December 2013, Centamin and Ampella have entered into the Takeover Bid Implementation Deed under which Centamin agreed to make (or for a Subsidiary of Centamin to make) the Offer. Under the Takeover Bid Implementation Deed, it was agreed that the Offer to be made to Ampella Shareholders would be 1 Centamin Share for every 5 Ampella Shares held.

Under the Takeover Bid Implementation Deed, Ampella has agreed to be bound by usual exclusivity arrangements until the earlier of termination of the Takeover Bid Implementation Deed and the End Date.

The Takeover Bid Implementation Deed contains no-shop and no-talk restrictions on Ampella continuing or participating in negotiations or discussions with any other person regarding a Competing Transaction and directly or indirectly soliciting, inviting, encouraging or initiating any enquiries, negotiations or discussions or communicate an intention to do any of those things, in relation to a Competing Transaction. The restrictions are subject to typical fiduciary carve outs.

Ampella must immediately notify Centamin if it is approached about a Competing Transaction. Centamin has a matching right to amend the terms of the Offer, including increasing the amount of consideration. The Ampella Directors must review the counter proposal in good faith and Ampella and Centamin must use reasonable commercial endeavours to give effect to the counter proposal if a majority of the Ampella Directors consider the counter proposal would be at least as favourable as the Competing Transaction.

The Takeover Bid Implementation Deed contains standard terms regarding break fees to be payable by Ampella upon the occurrence of certain events and representations and warranties typical of an agreement of this nature, and the quantum of the break fee is \$422,155.00 plus GST (if any).

The Takeover Bid Implementation Deed may be terminated in the following circumstances:

- (1) by Centamin, if:
  - (a) Ampella is in material breach any clause of the Takeover Bid Implementation Deed, Centamin gives notice to Ampella, and the breach remains unremedied after 2 Business Days;
  - (b) a Material Adverse Change occurs or a Prescribed Occurrence occurs;
  - (c) a Competing Transaction is proposed and is recommended by any Ampella Director;
  - (d) a person (other than Centamin or one of its Related Bodies Corporate) that does not hold more than 20% Voting Power in Ampella as at the date of the Takeover Bid Implementation Deed increases its Voting Power in Ampella to 20% or more (but not if that person has indicated they intend to accept the Offer in respect of their Ampella Shares); and
  - (e) any Ampella Director fails to make or withdraws, changes, revises, revokes or qualifies, or makes a public statement inconsistent with, their recommendation other than in accordance with the Takeover Bid Implementation Deed; and
- (2) by Ampella, if the Ampella Directors unanimously withdraw their recommendation of the Offer where a Superior Proposal has emerged, the matching right procedure under the Takeover Bid Implementation Deed has been fully complied with and upon financial and legal advice, the Ampella Directors change their recommendation of the Offer to comply with their fiduciary and statutory duties.

Termination of the Takeover Bid Implementation Deed (including by expiration of the End Date) does not mean the Offer will lapse.

A copy of the Takeover Bid Implementation Deed is contained in an announcement released by Ampella to the ASX on 10 December 2013 (ASX: AMX).

### 18.3 Ampella Directors' Recommendation

In a joint announcement with Centamin dated 10 December 2013, the Ampella Directors announced to ASX that, in the absence of a Superior Proposal, they unanimously recommend that Ampella Shareholders accept the Offer, and that they intend to accept the Offer in relation to their own Ampella Shares within 5 Business Days after the dispatch of this Bidder's Statement. This does not include 1,500,000 Ampella Shares held under the Employee Share Acquisition Plan, which will be cancelled.

### 18.4 Pre-Bid Acceptance Agreement

On 10 December 2013, Centamin entered into a Pre-Bid Acceptance Agreement with Ampella's largest shareholder, Taurus.

The Pre-Bid Acceptance Agreement was released to ASX on 11 December 2013, as an annexure to Centamin's Notice of Initial Substantial Holder dated 11 December 2013.

Under the Pre-Bid Acceptance Agreement, Taurus agreed to accept the Offer for the following Ampella Shares held:

- (1) 45,537,925 fully paid ordinary Ampella Shares held by Taurus for and on behalf of Taurus Resources No.2, L.P.; and
- (2) 1,093,498 fully paid ordinary Ampella Shares held by Taurus for and on behalf of Taurus Resources No.2 Trust.

Taurus is obligated to accept the Offer in respect of these Ampella Shares by no later than the date that is 5 Business Days after the date of the Target's Statement provided that at that time there is no competing proposal for Ampella which has been unanimously recommended by the Ampella Directors.

The Pre-Bid Acceptance Agreement will terminate automatically if, among other things:

- (1) the Offer closes and has not, prior to or on the date of closing, been freed of all defeating conditions;
- (2) a Competing Transaction unanimously recommended by the Ampella Directors receives acceptances of greater than 50%; or
- (3) Centamin publicly announces that it will not match a Competing Transaction.

Until the Pre-Bid Acceptance Agreement is terminated, Taurus is not permitted to dispose of or encumber any of its Ampella Shares, unless it is in accordance with the Pre-Bid Acceptance Agreement.

The Pre-Bid Acceptance Agreement also includes a lock-up clause such that if the Ampella Shares held by Taurus are acquired by Centamin and Centamin thereafter sells or otherwise disposes of some or all of those Ampella Shares at any time in the following 12 months, Centamin must pay Taurus 100% of any consideration received which exceeds the amount paid by Centamin.

### 18.5 Sale Facility Agreement

Centamin West Africa has entered into an agreement with the Sale Facility Agent pursuant to which the Sale Facility Agent has been appointed to receive and sell Consideration Shares on behalf of Ineligible Foreign Shareholders and Small Shareholders on the terms of Section 17.14.

### 18.6 Due Diligence

In Centamin West Africa's opinion, none of the information to which Centamin and its Related Bodies Corporate were given access during the due diligence on Ampella is of such a nature and quality that if the information were generally available, a reasonable person would expect the information to have a material effect on the price or value of Ampella Shares or otherwise be material to a decision by an Ampella Shareholder whether or not to accept the Offer.

### 18.7 Material Litigation

#### (1) Sukari Concession Dispute

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



In summary that judgment states that, although the Concession Agreement itself remains valid and in force, insufficient evidence was presented to the Court in order to demonstrate that the 160km<sup>2</sup> “exploitation lease” between PGM and EMRA had received approval from the relevant Minister as required by the terms of the Concession Agreement. Accordingly, the Court found that the exploitation lease in respect of the area of 160km<sup>2</sup> was not valid although it stated that there was in existence such a lease in respect of an area of 3km<sup>2</sup>. Centamin, however, is in possession of the executed original lease documentation which clearly shows that the 160km<sup>2</sup> 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.

Upon notification of the judgment the Centamin Group took various steps to protect its ability to continue to operate the mine at Sukari. These included both lodging a formal appeal before the Supreme Administrative Court (“**SAC**”) on 26 November 2012 and, in the first instance, lodging an “Objection to Enforcement” of the original ruling with the Civil Court on 31 October 2012, which had the effect of “staying” (postponing) implementation for an initial period. EMRA lodged its own appeal on 27 November 2012, the day after Centamin’s appeal was lodged. 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. Centamin West Africa believes that this demonstrates the government’s commitment to the Centamin Group’s investment at Sukari and the desire to stimulate further investment in the Egyptian mining industry. In conjunction with the formal appeal the Centamin Group applied to the SAC to suspend the initial decision until such time as the SAC is able to consider and rule on the merits of the appeal. As part of this process the SAC was supplied with a copy of the exploitation lease. On 20 March 2013, the presiding judges of the SAC unanimously upheld this application and on this basis normal operations will continue during the appeal process. In its ruling the SAC held that, “on the basis of the copy of the exploitation lease executed by the Minister of Petroleum presented to SAC, the annulment of such lease by the Administrative Court was likely to be cancelled upon the issuance of a judgment on the merits of the case”.

At the first scheduled hearing on 19 June 2013, the SAC handed down the Egyptian State Commissioner’s non-binding advisory report and adjourned the hearing until 24 September 2013 for the parties to make further submissions. Whilst the report was not positive, Centamin’s grounds of appeal remain unchanged. At the hearing on 24 September 2013, the SAC referred the case to the Merits Circuit, a subdivision of the SAC. This is standard procedure but Centamin West Africa believes it is a positive step as the Centamin Group understands that the SAC does not have a track record of referring appeals, which it does not consider to have any prospects of success, to the Merits Circuit. The first hearing before the Merits Circuit was on 19 November 2013 and the matter was adjourned to 25 March 2014.

Centamin West Africa does not currently know when the appeal will conclude, although Centamin West Africa is aware of the potential for the process in Egypt to be lengthy. Centamin has taken extensive legal advice on the merits of its appeal from two leading Egyptian law firms who have confirmed that the proper steps were followed with regard to the grant of the 160km<sup>2</sup> exploitation lease. Centamin West Africa 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 Centamin Group, the operations at Sukari may be adversely effected to the extent that Centamin’s operation is determined to exceed the exploitation lease area of 3 km<sup>2</sup> referred to in the original Court decision.

Centamin West Africa remains confident that normal operations at Sukari will be maintained whilst the appeal process is underway.

## (2) **Fuel Supply**

In January 2012, the Centamin Group received a letter from Chevron to the effect that Chevron would only be able to supply Diesel Fuel Oil (“**DFO**”) to the mine at Sukari at international prices rather than at local subsidised prices, which had the effect of adding approximately US\$150 per ounce to the cost of production. It is understood by Centamin West Africa that the reason that this letter was issued was that Chevron had received a letter instructing it to do so from the Egyptian General Petroleum Corporation (“**EGPC**”). It is further understood that EGPC itself issued this instruction because it had received



legal advice from the Legal Advice Department of the Council of State (an internal government advisory department) that the companies operating in the gold mining sector in Egypt were not entitled to such subsidies. In November 2012, the Centamin 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\$60 million at the then current exchange rates).

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

As at the date of this Bidder's Statement, no decision had been taken by the Courts regarding this matter. The case is progressing in accordance with Centamin's expectations. It is currently before the State Commissioner's Authority, an advisory body to the Court. This is in line with standard procedure. The Centamin Group remains of the view that an instant move to international fuel prices is not a reasonable outcome and will look to recover funds advanced thus far should the Court proceeding be successfully concluded. However, the Centamin Group recognises the practical difficulties associated with re-claiming funds from the government and for this reason Centamin has fully provided against the prepayment of US\$84.6 million, as an exceptional item, with US\$41.4 million provided for during Q4 2012, US\$13.9 million provided for during Q1 2013, US\$14.2 million provided for during Q2 2013 and an additional US\$15.1 million provided for during Q3 2013.

No provision has been made in respect of the historic subsidies prior to January 2012 as, based on legal advice, Centamin believes that the prospects of a Court finding in its favour in relation to this matter remain strong.

## 18.8 Material Contracts

The following contracts, in addition to those otherwise disclosed in this Bidder's Statement, have been entered into by a member of the Centamin Group during the two years preceding the date of this Bidder's Statement. These contracts are or may be material, or contain a provision under which a member of the Centamin Group has an obligation or entitlement which is, or may be, material to the Centamin Group:

### (1) The Sukari Project – Egypt

#### (a) Concession Agreement

Foreign investments in the petroleum and mining sectors in Egypt are governed by individual revenue sharing agreements ("**concession agreements**") between foreign companies and the Ministry for Petroleum and Mineral Resources or EMRA (as the case may be) and are structured as individual Acts of Parliament.

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

In accordance with the terms of the Concession Agreement, PGM undertook a feasibility study to support its application to EMRA for a "Commercial Discovery" (within the meaning of the Concession Agreement) with respect to the Sukari Project. Following the conversion of the status of the Concession Agreement from exploration to exploitation, PGM, together with EMRA, were granted an Exploitation Lease over 160 km<sup>2</sup> surrounding the Sukari Project 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.

Following demonstration of a Commercial Discovery, PGM and EMRA were required to establish an operating company owned 50% by each party (the "**Operating Company**") with equal board representation. The Operating Company, named Sukari Gold Mining Company, was incorporated under the laws of Egypt on 13 April 2006. The Operating Company was formed to conduct exploration, development, exploitation and marketing operations in accordance with the Concession Agreement.

Responsibility for the day-to-day management of the Sukari Project rests with the General Manager, who is appointed by PGM, with the board of the Operating Company acting by simple majority.

The fiscal terms of the Concession Agreement require that PGM solely funds the Operating Company but is entitled to recover the following costs and expenses payable from sales revenue (excluding the royalty payable to ARE, described further in the paragraphs below):

- all current operating expenses incurred and paid after the initial Commercial Production;
- exploration costs, including those accumulated to the commencement of Commercial Production (at the rate of 33.3% of total accumulated cost per annum); and
- exploitation capital costs, including those accumulated prior to the commencement of Commercial Production (at the rate of 33.3% of total accumulated cost per annum).

Recovery of capital costs shall include interest on a maximum of 50% of investment borrowed from financial institutions not affiliated with PGM provided that PGM shall use best efforts to obtain the most favourable rate of interest, not to exceed LIBOR + 1%. If costs recoverable by PGM exceed the sales revenue (excluding any royalty payable to ARE) in any financial year, the excess is carried forward for recovery in the next financial year or years until fully recovered, but in no case after the termination of the Concession Agreement. As at 30 September 2011, remaining accumulated recoverable costs stood at approximately US\$430 million.

After deduction of the recoverable expenses by PGM and payment of the royalty to ARE, the remainder of the sales revenue from the Sukari Project will be shared equally by PGM and EMRA except that for the first and second years in which there are net proceeds for the entire year, an additional 10% of such proceeds will be paid to PGM as an incentive (i.e. 60% to PGM and 40% to EMRA), and for each of the next two years in which there are net proceeds for the entire year, an additional 5% of such proceeds will be paid to PGM (i.e. 55% to PGM and 45% to EMRA).

PGM also has a first right of refusal to be appointed as marketing agent on demonstrating its capacity to successfully perform the role. This would entitle PGM to recover up to an additional 2% of gross sales proceeds from gold and associated minerals to cover the expenses associated with safety transporting and refining gold and associated minerals, further increasing the proportion of net operating cashflow distributed to PGM.

The aggregate effect of the fiscal terms of the Concession Agreement is such that the Centamin Group will receive the majority of the net operating cashflows (excluding taxes and levies) from the Sukari Project over the current life of mine.

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

- from 1 April 2010, being the date of Commercial Production, the Sukari Project is entitled to a 15 year exemption from any taxes imposed by the Egyptian government on the revenues generated from the Sukari Project. PGM and EMRA intend that the Operating Company will in due course file an application to extend the tax-free period for a further 15 years. The extension of the tax-free period requires that there has been no tax problems or disputes in the initial period and that certain activities in new remote areas have been planned and agreed by all parties;
- PGM and the Operating Company are exempt from custom taxes and duties with respect to the importation of machinery, equipment and consumable items required for the purpose of exploration and mining activities at the Sukari Project. 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, the Operating Company and their respective buyers will be exempt from any duties or taxes on the export of gold and associated minerals produced from the Sukari Project;

- PGM at all times is free to transfer in U.S. dollars 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; and
- PGM's contractors and sub-contractors are entitled to import machinery, equipment and consumable items under the "Temporary Release System" which provides exemption from Egyptian customs duty.

The ARE is entitled to a royalty of 3% of net sales revenue from the sale of gold and associated minerals from the Sukari Project, payable in cash in each calendar half year. Net sales revenue is calculated by deducting from sales revenue all shipping, insurance, smelting and refining costs, delivery costs not payable by customers, all commercial discounts and all penalties (relating to the quality of gold and associated minerals shipped).

Under the Concession Agreement, all land in the Sukari Project shall be the property of EMRA as soon as it is purchased. The title to the fixed and movable assets is to be transferred by PGM to EMRA as soon as the costs of such are recovered by PGM, with PGM and SGM being entitled to use all fixed and movable assets during the term of the Exploitation Lease and any extensions thereof.

In case of national emergency, due to war or imminent expectation of war or internal causes, ARE may, by virtue of a ministerial decree, requisition all or part of the production from the areas that are the subject of the Concession Agreement, and require the Operating Company to increase production to the utmost extent. ARE may, by virtue of a Presidential decree, also requisition the mine itself and, if necessary, related facilities. Such requisitions will not be concluded before ARE consults with PGM and EMRA in respect of such requisitions. In the event of any requisition, ARE must indemnify EMRA and PGM for the period during which the requisition is maintained. Such indemnity is not capped and shall be the sum of the loss that is actually incurred by either PGM and/or EMRA in addition to the likely profit that PGM and/or EMRA would have generated if the ARE had not requisitioned the production and/or the Sukari Project.

ARE has the right to terminate the Concession Agreement in the following circumstances:

- PGM has knowingly submitted any material false statements to the Egyptian government which were of material consideration for the execution of the Concession Agreement;
- PGM assigns any interest to any unrelated party otherwise than in accordance with the Concession Agreement;
- PGM does not comply with any final decision reached as a result of provisions in the Concession Agreement with respect to disputes and arbitration;
- PGM intentionally extracts any mineral other than gold and associated minerals authorised by the Concession Agreement without the approval of the Egyptian government, except where such extraction is an unavoidable result of operations conducted in accordance with accepted mining industry practice and which shall be notified to the Egyptian government as soon as possible; or
- PGM commits any material breach of the Concession Agreement.

If the Egyptian government deems that any one of the foregoing causes exists, the government is required to give PGM 90 days' notice to remedy the defaults. If the default remains unremedied at the expiration of the grace period, the Egyptian government may terminate the Concession Agreement by virtue of a Presidential decree.

The above termination provisions do not exclude the right of the Egyptian government to terminate the Concession Agreement for public interest consideration, which is deemed implied in any administrative contract and in public policy.

**(b) Exploitation Lease**

The Exploitation Lease defines the project area over which the Concession Agreement operates. The Exploitation Lease was granted on 24 May 2005 and defines a rectangular area of 160km<sup>2</sup> surrounding the Sukari ore body.

(2) **Mining and Refinery**

(a) **Underground Mining**

In 2009 SGM selected Barmenco Egypt Underground Mining Services SAE (“**Barmenco Egypt**”) as the successful tenderer to provide works and services for underground mining services at the Sukari Project.

The agreement had an initial term until December 2012 or the date of termination, whichever was the earlier. The agreement has now been extended to 30 November 2016. There is an option to extend this term, and the agreement continues in operation unless either party terminates the agreement by giving the other party three months’ prior written notice of termination at any time but not earlier than 3 months prior to the expiry of the term.

SGM may suspend the works by giving notice to Barmenco Egypt and such suspension will not terminate the agreement. Compensation may be payable by SGM to Barmenco Egypt in the event of suspension of the works.

SGM must procure and give Barmenco Egypt a duly executed parent company guarantee, on or before the commencement date. Centamin has provided this guarantee.

SGM may terminate the agreement for its convenience at any time, giving Barmenco Egypt 60 days’ written notice, in which case SGM must pay to Barmenco Egypt any payments due under the agreement but no early termination amounts.

Either party may terminate the agreement by 14 days’ written notice if an event of default in respect of the other party has occurred. Such notice must state the termination event being relied upon and if the event is not remedied by the expiration of the termination notice the agreement terminates.

If the agreement is terminated as a result of a termination event or default, if agreed by Barmenco Egypt, PGM may: accept an assignment from Barmenco Egypt of its interest under a hiring or leasing arrangement of any item of Barmenco Egypt’s plant and equipment, and PGM shall provide any reasonable security required by a third party in accepting the assignment, and acquire from Barmenco Egypt any item of its plant and equipment at the higher of the valuation calculated by expert determination or the current outstanding debt obligation as at the date of termination.

Either party may assign its rights under the agreement with the prior written consent of the other party.

(b) **Blasthole and Grade Control Drilling**

Under a Blasthole and Grade Control Drilling Agreement dated 9 April 2009 between PGM and Capital Drilling (Egypt) LLC (“**Capital**”), PGM engaged Capital to undertake blast and grade control drilling.

The agreement commenced on 2 April 2009 for three years. A subsequent agreement with SGM was entered into commencing 1 December 2013 for further one-year term.

SGM has the option to terminate for cause during the term without paying compensation; otherwise an early termination payment may be due. After the initial one-year term either party may terminate on 60 days’ written notice.

(c) **Refining Agreement**

Under the current Refining Agreement dated 15 July 2009 between PGM and Johnson Matthey Limited (“**JML**”), PGM must deliver all of the production of gold/silver dore from the Sukari gold mine to JML’s appointed secure carrier at the Sukari gold mine for refining at its refinery in Ontario, Canada. Risk of loss and damage to the gold/silver dore passes from PGM to JML upon stowage of the material into the carrier’s vehicle at the gold room at the Sukari gold mine. The agreement commenced on 1 August 2009 for an initial two-year term although it has subsequently been subject to a series of extensions.

PGM must pay a treatment charge per troy ounce of material delivered and transportation costs from the Sukari Project to JML’s refinery at prices (based on weight) specified in the agreement. If PGM elects to sell the gold and silver contents of the material to JML, the pricing of all sales will be based on the full London Bullion Market Association spot fixing in US dollars for the dates on which pricing is executed.

Either party may terminate the agreement by giving the other party 30 days' prior written notice of termination. PGM may also terminate the agreement if there is a disruption or termination of carrier arrangements to deliver PGM's materials to the refinery for more than one month and the agreement is suspended during that time.

#### **18.9 ASIC modifications to and exemptions from the Corporations Act**

ASIC has issued a declaration confirming that the Offer will extend to Ampella Shares to be issued on vesting of the Ampella Performance Rights and that these Ampella Shares will be treated as bid class securities.

Other than as set out above, Centamin West Africa has not obtained from ASIC any modification to the Corporations Act to facilitate the Offer. Centamin West Africa may however rely on various "Class Order" instruments published by ASIC which provide for certain modifications and exemptions that apply generally for all bidders, including Centamin West Africa.

Centamin West Africa may also apply to ASIC for modifications or waivers of the Corporations Act to allow the Offer to extend to certain securities issued after the Record Date.

#### **18.10 Date for determining holders of Ampella Shares**

For the purposes of section 633(2) of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) of the Corporations Act is 3 January 2014.

#### **18.11 Disclosure of fees and benefits received by certain persons**

Except as set out in this Bidder's Statement, no person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement holds, or held at any time during the last two years, any interest in:

- (1) the formation or promotion of Centamin West Africa or Centamin;
- (2) property acquired or proposed to be acquired by Centamin West Africa or Centamin in connection with its formation or promotion of the Offer; or
- (3) the Offer of Centamin Shares.

The total costs of the Offer to be borne by the Centamin Group are estimated at approximately A\$565,000. This includes accounting, solicitors, share registrar, printing, postage, ASIC, ASX, LSE, TSX and other professional fees.

Norton Rose Fulbright acted as international legal adviser to Centamin and Centamin West Africa in relation to the Offer. In respect of this work, Norton Rose Fulbright will be paid approximately A\$250,000 (excluding disbursements and GST, if applicable) for work performed until the date of this Bidder's Statement.

Ogier acted as Jersey legal adviser to Centamin in relation to the Offer. In respect of this work, Ogier will be paid approximately A\$13,000 (excluding disbursements and GST, if applicable) for work performed until the date of this Bidder's Statement.

Deloitte Touche Tohmatsu acted as investigating accountant to Centamin and Centamin West Africa in relation to the Offer and has prepared the Investigating Accountant's Report. In respect of the preparation of the Investigating Accountants Report, Deloitte Touche Tohmatsu will be paid A\$50,000 (excluding disbursements and GST, if applicable).

Computershare acted as Offer Registry to the Offer. In respect of this work, Computershare will be paid approximately A\$40,000 (excluding disbursements and GST, if applicable).

The parties above have given and have not, before the date of this Bidder's Statement, withdrawn their consent to be named in this Bidder's Statement in the form and context in which they are named above.

As permitted by ASIC Class Order 01/1543 this Bidder's Statement contains statements which are made, or based on statements made, in documents lodged by Ampella with ASIC or given to the ASX, or announced on the Company Announcements Platform of the ASX, by Ampella. Pursuant to the Class Order, the consent of Ampella is not required for the inclusion of such statements in this Bidder's Statement. Any Ampella shareholder who would like to receive a copy of any of those documents may obtain a copy (free of charge) during the Offer Period by contacting the Ampella shareholder line on 1800 821 468 (for calls made from within Australia) or +61 2 8256 3391 (for calls made from outside Australia).



As permitted by ASIC Class Order 03/635, this Bidder's Statement may include or be accompanied by certain statements:

- fairly representing a statement by an official person; or
- from a public official document or a published book, journal or comparable publication.

In addition, as permitted by ASIC Class Order 07/429, this Bidder's Statement contains share price trading data.

#### **18.12 Consents**

This Bidder's Statement includes statements made by or based on statements made by both Centamin and Centamin West Africa. Centamin and Centamin West Africa have consented to the inclusion of the statements they have made in the form and context in which they are included and as at the date of this Bidder's Statement, have not withdrawn their consent.

Each of Andrew Pardey, Chris Boreham, Patrick Smith and Nic Johnson have given and have not, before the date of this Bidder's Statement, withdrawn their consent to be named in this Bidder's Statement in the form and context in which they are named.

For personal use only



## 19 Definitions and Interpretation

### 19.1 Definitions

In this Bidder's Statement:

**"Acceptance Form"** means the acceptance form that accompanies the Offer;

**"accreted"** means in geology, accretion is a process by which sediment is added to a tectonic plate;

**"activated carbon"** means a chemical used in extracting gold from the leach solution, the gold is absorbed into the porous matrix of the carbon;

**"adsorb"** means to attract and retain other material on the surface; to conduct the process of adsorption;

**"AIM"** means a market operated by the LSE;

**"Ampella"** means Ampella Mining Limited ABN 59 121 152 001;

**"Ampella Director"** means a director of Ampella;

**"Ampella Group"** means Ampella and each of its Related Bodies Corporate;

**"Ampella Options"** means the Options issued pursuant to the Employee Share Options Plan on issue as at the date of the Takeover Bid Implementation Deed;

**"Ampella Performance Rights"** means any securities issued pursuant to the Employee Performance Rights Plan on issue as at the date of the Takeover Bid Implementation Deed;

**"Ampella Shareholders"** means the shareholders of Ampella;

**"Ampella Shares"** means fully paid ordinary shares in Ampella;

**"Applications"** means the applications for tenements under the Mining Acts, as specified in Annexure F;

**"Articles"** means the Articles of Association of Centamin;

**"Associate"** has the meaning given in Division 2 of Part 1.2 of the Corporations Act as if section 12(1) of the Corporations Act included a reference to this Bidder's Statement;

**"ARE"** means the Arab Republic of Egypt;

**"assay"** means an analysis to determine the presence, absence, and quantity of one or more metallic components;

**"ASIC"** means the Australian Securities & Investments Commission;

**"ASX"** means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange operated by ASX Limited, as the context requires;

**"ASX Listing Rules"** means the official listing rules of ASX;

**"ASX Settlement Operating Rules"** means the operating rules of the settlement facility provided by ASX Settlement as amended or varied from time to time;

**"Au"** is the chemical symbol for gold;

**"AusIMM"** means the Australasian Institute of Mining and Metallurgy;

**"Batie West Project"** means the exploration project consisting of 10 permits, of which the Ampella Group holds six and has a contractual interest in four, covering approximately 2,000 km<sup>2</sup>;

**"Bidder's Statement"** means this document and each schedule and annexure to it;

**"breccia"** means rock composed of angular fragments, commonly coarse grained (grains over 5 mm across); may be sedimentary, igneous, tectonic, or supergene;

**"Broker"** means a member organisation admitted to participate in the CHES under rule 2.1.1 of the ASX Settlement Operating Rules;

**"Cash"** means Ampella Group's total cash at bank less any outstanding indebtedness of Ampella Group calculated in Australian dollars, as certified pursuant to the Takeover Bid Implementation Deed;

**"Centamin"** means Centamin plc Registered Company Number 109180;

**“Centamin Director”** means a director of Centamin;

**“Centamin Group”** means Centamin and its Subsidiaries and Related Bodies Corporate;

**“Centamin Shareholder”** means a holder of Centamin Shares;

**“Centamin Shares”** means fully paid ordinary shares in the capital of Centamin;

**“Centamin West Africa”** means Centamin West Africa Holdings Limited, a private company registered in England and Wales (Registered Company Number 8816954) with its registered office at Hill House, 1 Little New Street, London EC4A 3TR, United Kingdom;

**“Centamin West Africa Directors”** means the directors of Centamin West Africa;

**“CHESS”** means the clearing house electronic subregister system;

**“CHESS Holding”** means a number of Ampella Shares which are registered on Ampella’s shares register, being a register administered by ASX Clear and which records uncertificated holdings of Ampella Shares;

**“CIL”** means carbon-in-leach; a process in which finely ground gold ore is leached with weak alkaline solutions of sodium cyanide bubbled with air or oxygen, and the slurry (pulp) has added to it tough porous carbon particles about the size of wheat grains onto which gold cyanide ions are adsorbed; following adsorption, the loaded carbon is washed and stripped of gold cyanide ions by heated stronger alkaline cyanide solutions from which metallic gold is recovered by electro-winning;

**“Closing Date”** means 7:00 pm Sydney time on 13 February 2014, unless the Offer is extended;

**“Commercial Production”** means the mining, milling, processing, smelting and refining of ores, following decisions by EMRA and PGM to produce on a regular and commercial basis;

**“Competing Transaction”** means any expression of interest, proposal or offer in relation to a takeover bid, scheme of arrangement, joint venture, dual listed company structure, reverse takeover bid, purchase of assets or undertakings, share issue, capital reduction, buy back, partnership or other transaction, which if completed, would mean a person (other than Centamin or one of its Related Bodies Corporate) would:

- (1) directly or indirectly, acquire an interest in, a Relevant Interest in, become the holder of, or enter into a cash settled equity swap or other synthetic, economic or derivative transaction connected with or relating to:
  - (a) more than 10% of the Ampella Shares or more than 10% of the shares in any of Ampella’s Subsidiaries; or
  - (b) the whole or a material part of the business or property of Ampella or any of its Subsidiaries;
- (2) acquire “control” of Ampella, within the meaning of section 50AA of the Corporations Act; or
- (3) result in the Bid not being able to be implemented on the basis set out in the Takeover Bid Implementation Deed;

**“concentrate”** means a product containing valuable metal from which most of the waste material in the ore has been eliminated;

**“Concession Agreement”** means the agreement described in Section 18.8(1) of this Bidder’s Statement;

**“Conditions”** means the defeating conditions to the Offer set out in Section 17.7;

**“Consideration Shares”** means the Centamin Shares to be issued to the Ampella Shareholders under the Offer;

**“continental crust”** means the 10-20km thick surface crust of the earth located on land mass;

**“Controlling Participant”** in relation to a CHESS Holding has the same meaning as in the ASX Settlement Operating Rules;

**“Corporations Act”** means the Corporations Act 2001;

**“cyanide”** means sodium cyanide (NaCN);

**“Definitive Feasibility Study”** or **“DFS”** means a definitive study of a deposit in which all geological, engineering, operating, economic and other relevant factors are considered in sufficient detail that it could reasonably serve as the basis for a final decision by a financial institution to finance the development of the deposit for mineral production;

“**dip**” means the angle between the horizontal and a plane, measured at right angles to the strike;

“**ductile**” means plastic deformation; not brittle;

“**EEAA**” means the Egyptian Environmental Affairs Agency;

“**Employee Performance Rights Plan**” means the Ampella Mining Limited Employee Performance Rights Plan as governed by the Employee Performance Rights Plan Rules;

“**Employee Performance Rights Plan Rules**” means the Employee Performance Rights Plan Rules together with the Management Performance Rights Plan Terms and Conditions adopted on 30 January 2013;

“**Employee Shares**” means any shares issued pursuant to the Employee Share Acquisition Plan on issue as at the date of the Takeover Bid Implementation Deed;

“**Employee Share Acquisition Plan**” means the Ampella Employee Share Acquisition Plan as governed by the Ampella Employee Share Acquisition Plan Rules;

“**Employee Share Acquisition Plan Rules**” means the Ampella Employee Share Acquisition Plan Rules adopted on 10 February 2011;

“**Employee Share Options Plan**” means the Ampella Mining Limited Employee Share Option Plan as governed by the Employee Share Option Plan Rules;

“**Employee Share Option Plan Rules**” means the Employee Share Option Plan Rules adopted on 6 July 2009;

“**EMRA**” means Egyptian Mineral Resources Authority;

“**Encumbrance**” means in relation to any asset:

- (1) a mortgage, charge, lien, pledge, hypothecation or other encumbrance over the asset;
  - (2) a profit a prendre, easement or restrictive covenant affecting the asset;
  - (3) a caveat, garnishee order, writ of execution, right of set-off, assignment by way of security, deposit of money by way of security or monetary claim affecting the asset;
  - (4) a preferential interest, trust, title retention arrangement (other than in the ordinary course of business), or other estate, interest, claim or arrangement affecting the asset;
  - (5) a right, including a contractual right, an option, a right of first refusal, a right of pre-emption or other right, to acquire the property or to restrain any person from acquiring the asset;
  - (6) a right, including a lease, licence or other right, to occupy or use the asset; or
  - (7) an agreement to grant, create or register any of them or to allow any of them to exist,
- and whether the Encumbrance is registered or unregistered, statutory, legal or equitable;

“**End Date**” means the earlier of:

- (1) the date on which the Offer Period ends; and
- (2) the date that is 6 months after the date of the Takeover Bid Implementation Deed, or such other date as Centamin and the Ampella agree in writing;

“**EPCM**” means engineering, procurement and construction management;

“**FCA**” or “**Financial Conduct Authority**” means the UK Financial Conduct Authority including when acting in its capacity as the UK Listing Authority;

“**feasibility study**” means a comprehensive study of a deposit in which all geological, engineering, operating, economic and other relevant factors are considered in sufficient detail that it could reasonably serve as the basis for a final decision by a financial institution to finance the development of the deposit for mineral production;

“**FTSE250**” means the index of the largest 250 companies on the LSE;

“**GBP**” means Great Britain pounds;

“**gold dore**” means an alloy that is produced after the first stage of the purification process, containing approximately 90% gold as well as metals such as silver or copper. It must be refined in order to achieve the levels of purity required to be traded on gold markets;

“**granite**” refers to coarse-grained igneous rock, with quartz, feldspars and micas;

“**granitoid**” means resembling granite in granular appearance;

**“granodiorite”** refers to coarse-grained igneous rock, with quartz, plagioclase and micas;

**“g/t”** means gramme/metric tonne;

**“HIN”** stands for Holder Identification Number and has the same meaning as in the ASX Settlement Operating Rules;

**“Ineligible Foreign Shareholder”** means an Ampella Shareholder:

- (1) who is (or is acting on behalf of) a citizen or resident of a jurisdiction other than residents of Australia and its external territories or Canada ; or
- (2) whose address shown in the register of members of Ampella is a place outside Australia and its external territories, or Canada or who is acting on behalf of such a person, unless Centamin determines that:
  - (a) in respect of whom it is lawful and not unduly onerous or unduly impracticable to issue that Ampella Shareholder with Consideration Shares on completion of the Offers; and
  - (b) who may lawfully participate in the Offers by the law of the relevant place outside Australia and its external territories or Canada;

**“Indicated Mineral Resource”** means that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of modifying factors in sufficient detail to support the mine planning and evaluation of the economic viability of the deposit. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve;

**“Inferred Resources”** is that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified, geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, and workings and drill holes which may be limited or of uncertain quality and reliability;

**“intrusive”** means rock which, while molten, penetrated into or between other rocks but solidified before reaching the surface;

**“JORC”** means Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and the Minerals Council of Australia;

**“JORC Code”** means 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ which defines criteria for public reporting of gold resources and reserves;

**“Jersey Companies Law”** means the Companies (Jersey) Law 1991;

**“km”** means kilometre;

**“leach”** means to dissolve minerals or metals out of ore with chemicals;

**“level”** means in connection with a mine, means development workings at about the same elevation; commonly numbered downwards from the surface, eg Levels 1, 2, 3, etc, or by their relative elevation, eg 1000m level, 1050m level etc;

**“LSE”** means the London Stock Exchange plc;

**“LSE Listing Rules”** or **“Listing Rules”** means the listing, disclosure and transparency rules (as amended from time to time) made by the Financial Conduct Authority in accordance with the *UK Financial Services and Markets Act 2000*;

**“Material Adverse Change”** has the meaning in Section 17.7(6);

**“Measured Mineral Resource”** means that part of a mineral resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with to allow the application of modifying factors to support detailed mine planning and final evaluation of the economic viability of the deposit. A Measured Mineral Resource has a higher level of confidence than that applying to either an indicated mineral resource or an inferred mineral resource. It may be converted to a Proved or Probable Mineral Reserve;

**“mélange”** means a jumble of rock bodies;

**“metallurgical”** describing the science concerned with the production, purification and properties of metals and their application;

**“Mineral Reserve”** is that part of a Mineral Resource which has been demonstrated to be economically exploitable;

**“Mineral Resource”** means a concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the Earth’s crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge;

**“Mining Acts”** means the Mining Act of 8 May 2003 promulgated under Decree No. 2003-308 / PRES in Burkina Faso and the Mining Act of 18 July 1995 promulgated under Decree No. 1995-553 in Cote d’Ivoire;

**“Moz”** means million Troy ounces;

**“mRL”** means metres, reduced level;

**“Mt”** means million metric tonnes;

**“Mtpa”** means Million tonnes per annum;

**“Multiple Indicator Kriging”** means a method used to interpolate values (grades) from a sample data set onto a grid. A commonly used method to compute resources;

**“MW”** means Megawatts;

**“Neoproterozoic”** refers to the time period roughly from 900 million years ago to 650 million years ago;

**“Offer”** means the Centamin West Africa’s offer to acquire all of the Ampella Shares set out in Section 12 of this Bidder’s Statement;

**“Offer Period”** means the period commencing on the date of this Bidder’s Statement and ending on the Closing Date;

**“Offer Registry”** means Computershare Investor Services Pty Limited;

**“open pit”** means mine workings for ores open to the surface, a pit; like a quarry for stone;

**“Options”** means to subscribe for shares in Ampella;

**“orogeny”** means a period of mountain building;

**“oxidation”** means loosely, the sub-aerial weathering of rocks, generally with the presence of water;

**“oz”** means Troy ounce (used for precious metals);

**“Participant”** means an entity admitted to participate in CHES under rules 4.3.1 and 4.4.1 of the ASX Settlement Operating Rules;

**“Performance Rights”** means any securities issued pursuant to the Employee Performance Rights Plan on issue as at the date of the Takeover Bid Implementation Deed;

**“PGM”** means Pharaoh Gold Mines NL;

**“Prescribed Occurrence”** has the meaning in Section 17.2(2);

**“Probable Mineral Reserve”** means the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the modifying factors applying to a Probable Mineral Reserve is lower than that applying to a Proved Mineral Reserve;

**“Probable Reserves”** is the economically mineable part of an indicated, and in some circumstances, a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified;

**“Proved Mineral Reserve”** means the economically mineable part of a Measured Mineral Resources, implying a high degree of confidence in the modifying factors

**“pyrite”** means iron sulphide (FeS<sub>2</sub>) mineral;

**“quartz”** commonly referred to as SiO<sub>2</sub>; silicon dioxide; and is very common mineral in rocks; occurs also as veins, and stockworks;



**“Ramp-up”** means an increase in operations in both throughput and production;

**“Record Date”** means 3 January 2014;

**“Regulatory Authority”** includes:

- (1) ASX, ACCC, ATO, ASIC and regulatory bodies performing similar functions in other countries (including the LSE and TSX);
- (2) a government or governmental, semi-governmental or judicial entity, body or authority (including the Ministry of Mines and the Ministry of Finance in each of Burkina Faso and Cote d'Ivoire);
- (3) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government;
- (4) any regulatory organisation established under statute;
- (5) any similar entities that a government controls or owns, including any state-owned or state-operated companies or enterprises;
- (6) any international organisations such as the United Nations or the World Bank;
- (7) any self-regulatory organisation;
- (8) any court, arbitrator or expert (public or private),
- (9) whether in Australia, the United Kingdom, Canada, Burkina Faso, Cote d'Ivoire or in any other jurisdiction;

**“Related Body Corporate”** has the meaning it has in the Corporations Act;

**“Relevant Ampella Employees”** has the meaning it has in Section 17.7(2)(u)(i);

**“Relevant Interest”** has the meaning it has in the Corporations Act;

**“Reserve”** means economically minable part of a measured or indicated Resource of gold at the time of reporting, as defined in the JORC Code;

**“Resource”** means a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. Resources are subdivided, in order of increasing geological and confidence, into Inferred, indicated and measured categories, as defined in the JORC Code;

**“Rights”** means all accreditations, rights or benefits of whatever kind attaching or arising from Ampella Shares directly or indirectly on or after the 10 December 2013 (including, but not limited to, all dividends and all rights to receive them or rights to receive or subscribe for shares, notes, bonds, options, or other securities declared, paid or issued by Ampella or any of its Subsidiaries;

**“ROM”** means run of mine;

**“Sale Facility Agent”** means Argonaut Securities Pty Ltd AFSL 274099;

**“Section”** means a section of this Bidder's Statement;

**“SGM”** means Sukari Gold Mining Company;

**“Share Registry”** means Computershare Investor Services (Jersey) Limited;

**“shear zone”** means a zone of shearing (intense foliation); shearing is the response of a rock to deformation usually by compressive stress;

**“sheeted”** means a vein filling a shear zone;

**“siliceous”** means flooded by silica (SiO<sub>2</sub>) minerals;

**“Small Parcel”** has the meaning it has in Section 17.13(2);

**“Small Shareholder”** has the meaning it has in Section 17.13(1);

**“stope”** refers to an opening in a mine from which ore has been mined, usually near to vertical and of considerable length and depth, and of lesser width;

**“strike”** means the bearing of a horizontal line in a planar geological feature;

**“strip ratio”** means the ratio of waste that needs to be mined to obtain a unit of ore, usually expressed as tonnes of waste to tonnes of ore;

**“subhedral”** means showing some traces of crystal form;

**“Subsidiary”** has the meaning it has in the Corporations Act;



**“Sukari Project”** means the gold project located within the Sukari Concession Area over which PGM and EMRA have been granted Exploitation Rights;

**“sulphide”** means a mineral compound in which one or more metals are found in combination with sulphur;

**“Superior Proposal”** means a publicly announced Competing Transaction or proposed Competing Transaction which, if completed substantially in accordance with its terms, would mean a person (other than Centamin or one of its Related Bodies Corporate) would become the holder of:

- (1) more than 50% of the Ampella Shares; or
- (2) the whole or substantially the whole of the business, assets and undertakings of the Ampella Group,

provided that the Directors unanimously determine, acting in good faith after receipt of advice from Ampella’s financial and legal advisers and in order to satisfy what the Directors consider to be their fiduciary and statutory duties, that the Competing Transaction or proposed Competing Transaction is capable of being valued and completed, taking into account all aspects of the transaction or proposed transaction (including its conditions precedent and the person or persons making it) and is superior overall for Ampella Shareholders as compared to the Offers;

**“t”** means metric tonne (1000 kg);

**“tailings”** refers to finely ground effluent rock waste from ore treatment plant, in aqueous suspension as it leaves the plant; pumped to large containments where treatment water is recovered, and the tailings dry out;

**“Takeover Bid Implementation Deed”** means the takeover bid implementation deed dated 10 December 2013 between Centamin and Ampella (a summary of the terms of which is set out in Section 18.2);

**“Takeover Transferee Holding”** has the meaning in the ASX Settlement Operating Rules;

**“Target’s Statement”** means the target’s statement to be issued by Ampella in response to this Bidder’s Statement in accordance with section 633(1) of the Corporations Act;

**“Taurus”** means Taurus Funds Management Pty Ltd:

- (1) for and on behalf of Taurus Resources No.2, L.P.; and
- (2) as trustee for Taurus Resources No.2 Trust;

**“Tenements”** means the tenements (granted under the Mining Acts) which are identified in Annexure F and any tenement applied for or granted in renewal or extension of, or in substitution for, any such tenement (excluding the Applications but including any tenements granted pursuant to the Applications);

**“Third Party Rights”** means all Encumbrances or adverse interests of any nature and restrictions on transfer of any nature (legal or otherwise);

**“TSX”** means the Toronto Stock Exchange;

**“UK”** means the United Kingdom;

**“USRs”** means the UK’s Uncertificated Securities Regulations 2001 (SI 2001/3755);

**“US Securities Act”** means the *United States Securities Act of 1933*;

**“vein”** means sheet-like body of minerals formed by fracture filling or replacement of host rock;

**“Voting Power”** has the meaning given in section 610 of the Corporations Act;

**“wadi”** means (Arabic) valley, of any size; in Eastern Desert of Egypt floored with rock debris washed from adjacent hills during infrequent rain storms; and

**“Warranty Breach”** means:

- (1) a breach of any representation or warranty set out in clauses 11.2(2)(a), 11.2(2)(b), 11.2(2)(h), 11.2(2)(i), 11.2(2)(p), 11.2(2)(s), 11.2(2)(t) and 11.2(2)(aa) of the Takeover Bid Implementation Deed; or
- (2) a material breach of any other representation or warranty set out in clause 11.1(2) of the Takeover Bid Implementation Deed (excluding those representations and warranties in clauses 11.2(2)(a), 11.2(2)(b), 11.2(2)(h), 11.2(2)(i), 11.2(2)(p), 11.2(2)(s), 11.2(2)(t) and 11.2(2)(aa) of the Takeover Bid Implementation Deed).

## 19.2 Interpretation

- (1) Reference to:
  - (a) words and phrases given a particular meaning in Chapter 6 of the Corporations Act have the same meaning in this Bidder's Statement, unless the context otherwise requires;
  - (b) one gender includes the others;
  - (c) the singular includes the plural and the plural includes the singular;
  - (d) a person includes a body corporate;
  - (e) a party includes the party's executors, administrators, successors and permitted assigns;
  - (f) a statute, regulation or provision of a statute or regulation ("**Statutory Provision**") includes:
    - (i) that Statutory Provision as amended or re-enacted;
    - (ii) a statute, regulation or provision enacted in replacement of that Statutory Provision; and
    - (iii) another regulation or other statutory instrument made or issued under that Statutory Provision; and
  - (g) money is to Australian dollars, unless otherwise stated.
- (2) Including and similar expressions are not words of limitation.
- (3) Where a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have a corresponding meaning.
- (4) Headings and any table of contents or index are for convenience only and do not affect the interpretation of this Bidder's Statement.

## 20 Approval of Bidder's Statement

This Bidder's Statement has been approved by a unanimous resolution passed by all the Centamin West Africa Directors.

Dated: 7 January 2014



Josef El-Raghy  
Director  
for and on behalf Centamin West Africa

# Annexure A – Trading Your Consideration Shares

## 1 Introduction

This Annexure A provides a brief overview about how you may trade your Consideration Shares if you accept the Offer. You should obtain your own independent professional advice about dealing with Centamin Shares.

## 2 Trading Your Centamin Shares on LSE

### (1) General

Subject to the Articles:

- (a) any shareholder who holds Centamin Shares in certificated form (that is, paper form) can transfer some or all of those shares to another person; and
- (b) any shareholder who holds Centamin Shares in uncertificated form (that is through CREST, the settlement system as defined in the UK's Uncertificated Securities Regulations 2001 (SI 2001/3755) (the “**USRs**”) which is used on the London and Irish Stock Exchanges for the electronic settlement of dematerialised securities), can also transfer some or all of those shares to another person.

All transfers of certificated shares must be effected by an instrument in writing, commonly a stock transfer form or in any other form which the Centamin Directors may approve. The shareholder transferring certificated shares will provide the share certificate(s) to the new shareholder so these can be given to Centamin for destruction. New share certificates can be issued in the name of the new Centamin Shareholders.

All transfers of Centamin Shares held through CREST must be through CREST and must comply with the USRs and the CREST Rules. No fee is payable to Centamin for transferring Centamin Shares or registering changes relating to the ownership of Centamin Shares.

### (2) Restrictions on transfer

In relation to certificated shares, the Centamin Directors may decline to recognise any instrument of transfer:

- (a) unless the share transfer form is properly stamped to show payment of any applicable stamp duty or certified or otherwise shown to the satisfaction of the Centamin Directors to be exempt from stamp duty and is delivered to the office, or any other place decided on by the Centamin Directors and the transfer form is accompanied by the share certificate relating to the shares being transferred, unless the transfer is being made by a person to whom the company was not required to, and did not send, a certificate. The Centamin Directors can also ask (acting reasonably) for any other evidence to show that the person wishing to transfer the share is entitled to do so and, if the share transfer form is signed by another person on behalf of the person making the transfer, evidence of the authority of that person to do so; and
- (b) where, whether fully paid or not, the share transfer is in favour of more than four persons jointly; or
- (c) where the instrument of transfer is in respect of more than one class of share.

In relation to uncertificated shares, the Centamin Directors may refuse to register a transfer of CREST shares in the circumstances set out in the USRs or where transfers are in favour of more than four joint holders. The Centamin Directors may also refuse to register the transfer of any shares which are not fully paid.

### (3) Trading in uncertificated holdings

Centamin Shares are regularly traded on the LSE and holders of Centamin Shares in uncertificated holdings are able to trade, through their broker, these Centamin Shares in the normal course of business. Any holders of uncertificated holdings wishing to trade Centamin Shares should, in the first instance, contact their broker or nominee to place a trade.

(1) **What do I need to do to trade my Consideration Shares on LSE?**

You must have an uncertificated holding to trade your Centamin Share on the LSE. Centamin Shares which are held in uncertificated form are regularly traded on the LSE and any holder who wishes to trade their shares will need to do so through a stockbroker. A holder can place a trade through their broker and will receive the proceeds from the broker minus any commissions or other costs associated with the trade. Holders wishing to trade Centamin Shares should contact their broker in the first instance.

(2) **What do I need to do to trade my Consideration Shares on TSX?**

Application has been made to list the Consideration Shares on the TSX. If the TSX lists such shares and you want to trade your Consideration Shares on the TSX, you will be required to transfer your Consideration Shares to the Canadian register. The removal process can be effected by making an election with your broker or by completing the register removal documents which can be requested in the following ways:

Contact email address - **!AIJEGlobalTransactionTeam@computershare.co.je**

Contact telephone number - +44 1534 281869

**ADDRESS**

Computershare Investor Services (Jersey) Limited  
Queensway House  
Hilgrove Street  
St. Helier  
Jersey JE1 1ES

Holders with certificated holdings will need to submit their share certificates with the completed removal form.

There may be a fee associated with moving your holding from the Jersey register of members to the Canadian register of members.

## Annexure B – Comparison of relevant companies and securities laws and listing rules applying to Centamin in the UK, Canada and Jersey

As Centamin is a company incorporated under the laws of Jersey and whose shares are dual listed, firstly on the premium segment of the Official List and admitted to trading on the LSE, and secondly on the TSX, Centamin must comply with the laws of Jersey, the UK and Canada, as well as the listing rules of the FCA, the LSE and TSX.

The information below is only a summary of some of the companies and securities laws and listing

rules that apply to Centamin in the UK, Canada and Jersey and which may be of interest to Ampella Shareholders in their consideration of the Offer. For comparison purposes only, a general outline of Australian laws and regulations (under the Corporations Act and ASX Listing Rules) is also set out in the 4<sup>th</sup> column. Ampella Shareholders should note that this is set out for comparison purposes only and Australian laws and

	UK	Canada
<b>Takeovers</b>	<p>As a company which has its registered office in the Channel Islands and whose securities are admitted to trading on the LSE's main market, Centamin is subject to the City Code.</p> <p>Rule 9 of the City Code stipulates, amongst other things, that except with the consent of the Panel, when:</p> <ul style="list-style-type: none"> <li>any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30% or more of the voting rights of a company; or</li> <li>any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30% of the voting rights of a company but is not interested in shares carrying more than 50% of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested,</li> </ul> <p>such person (and depending on the circumstances its concert parties) is required to extend a cash offer to the other shareholders in the company at a price not less than the highest price paid for interests in shares by the acquirer or its concert parties during the previous 12 months on the basis set out in the City Code.</p> <p>Where a person or group of persons acting in concert are interested in shares carrying more than 50% of the voting rights in a company no obligation would normally arise to make a general offer under Rule 9 if the concert party increases its aggregate interest in shares. However, even if the concert party is interested in shares carrying over 50% of the voting rights, the Panel may, amongst other things, regard any acquisition by a member that</p>	<p>In Canada, takeover bids are regulated primarily by provincial and territorial securities legislation and related rules. Unless an exemption from the formal takeover bid requirements under securities legislation is available or can be obtained, persons or companies making an offer to acquire shares in a jurisdiction where the subject shares, together with the offeror's securities (including any securities held by joint offerors), constitute in aggregate 20% or more of the outstanding shares of the company at the time of the offer are required to extend the offer to all securityholders in the jurisdiction. These provisions require, among other things, the production, filing and mailing of a takeover bid circular to shareholders of the target company. These provisions are applicable for securityholders whose address in the books of the corporation is in Canada.</p> <p>Takeover bids must treat all securityholders alike and must not involve any collateral agreements, with certain exceptions for employment compensation arrangements. Takeover bids must remain open for a minimum of 35 days from the date of the mailing of the circular, after which time all securities deposited under the offer may be taken up.</p> <p>For the protection of target securityholders, the takeover bid rules contain various additional requirements, such as restrictions applicable to conditional offers and the withdrawal, amendment or suspension of offers. Securities regulators also retain a general 'public interest jurisdiction' to regulate takeovers and may intervene to halt or prevent activity that is abusive. Issuer bids are regulated similarly to takeover bids.</p> <p>There are extensive disclosure requirements associated with takeover bids, beginning with 'early warning' disclosure required when an acquirer crosses the 10% ownership threshold. Generally, further disclosure is required for additional purchases of 2% or more of the outstanding security for which such early warning disclosure is required. Purchases outside the bid before, during and after the bid are also restricted.</p>

regulations will not apply to Centamin or to Centamin Shares that are issued under the Offer.

In addition, Ampella Shareholders should note that, as Centamin is not listed on the ASX, the sections below in the “Australian Position” which refer to the ASX Listing Rules do not apply to Centamin Shares.

The information below is general in nature and is not intended to be an authoritative or complete statement of the companies or securities laws or listing rules or other regulations that are or may be applicable to Centamin or to companies incorporated in Jersey or whose shares are listed on

either the premium segment of the Official List and admitted to trading on the LSE or on the TSX. The information below does not constitute legal advice and Ampella Shareholders should consider obtaining their own professional advice on these and other companies and securities laws and listing rules and other regulations that do or may apply to Centamin and how they do or may differ to Australian companies and securities laws, regulations and listing rules.

Jersey (including Centamin’s Memorandum and Articles of Association)	Australian Position
Jersey has no legislation on this issue although Centamin is subject, as a matter of Jersey law, to the requirements of the UK Takeover Code.	Under Chapter 6 of the Corporations Act, a person must not acquire a Relevant Interest in voting shares of a public company of 20% or more, subject to a number of exemptions (including approval by shareholders and 3% creep every 6 months).



UK	Canada
<p>increases his interests in shares to 30% or more or, if he is already interested in 30% or more, which increases the percentage of shares carrying voting rights in which he is interested as giving rise to an obligation on that individual to make an offer. In the above summary, persons “acting in concert” are persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition by any of them of shares in Centamin, to obtain or consolidate control of Centamin.</p> <p>Control means a holding, or aggregate holdings, of shares carrying 30% or more of the voting rights of Centamin, irrespective of whether the holding or holdings give de facto control.</p> <p>The City Code contains a number of general principles, including that all shareholders in the target of the same class must be afforded equivalent treatment.</p> <p>Takeover bids must remain open for a minimum of 21 days after the offer document is sent to shareholders (“<b>Day 21</b>”). The offer must have achieved the minimum level of acceptances stated in the acceptance condition from target shareholders by the day falling 60 days from publication of the offer document (although the Panel will extend this deadline in certain circumstances), and all other conditions to be offer must be fulfilled by 21 days after the later of Day 21 and the offer being declared unconditional as to acceptances.</p> <p>The City Code contains a number of other provisions for the protection of target shareholders, such as restrictions on the ability to include conditions and pre-conditions in the terms of an offer, and on the bidder’s ability to withdraw the offer on the basis of these conditions and pre-conditions not having been fulfilled. The City Code also prohibits (subject to certain exceptions) action being taken which could frustrate a bid without target shareholder approval.</p>	<p>Canadian securities laws allow certain exemptions to the formal bid requirements, on specified conditions. For example, private agreements to purchase securities from up to five persons are permitted if the purchase price does not exceed 115% of the market price. Under the normal course purchase exception, the offeror (together with any joint offerors) may acquire up to 5% of a class of securities within a 12 month period if there is a published market for the relevant class and the consideration paid does not exceed the market price at the date of acquisition.</p>
<b>Compulsory Acquisition</b>	<p>Not applicable.</p> <p>Not applicable as matter governed by corporate law in Canada.</p>

Under Article 116 of the Companies (Jersey) Law 1991 (the "**Companies Law**") a person who makes an offer and acquires more than 9/10ths in number of the shares of any class to which the offer relates may be entitled to compulsorily acquire all of the remaining shares in that class and move to 100% ownership.

Under Chapter 6A of the Corporations Act, a person who holds a Relevant Interest in 90% or more of a class of securities in a public company may be entitled to compulsorily acquire all of the remaining securities in that class and move to 100% ownership. There are different rules that apply to a compulsory acquisition which follows a takeover bid and a compulsory acquisition which follows a person acquiring a 90% interest in securities in a class by other means.

	UK	Canada
<b>Issue of new securities</b>	<p>The Listing Rules require that non-UK incorporated companies offer shareholders pre-emption rights in their constitutional documents. Centamin has included pre-emption rights in its articles of association. As such, Centamin will require shareholder approval in certain circumstances to issue shares non-pre-emptively.</p> <p>The Listing Rules also require that Centamin obtain shareholder approval in certain circumstances to issue shares at a discount of more than 10% to current market value.</p>	<p>As a TSX listed company, issuances of securities by Centamin requires the approval of TSX. TSX may impose conditions on a transaction or grant exemptions from its own requirements. TSX will consider various factors, including the involvement of insiders in the transaction, whether the transaction materially affects control of the issuer, and whether a court or administrative body has considered the interest of securityholders.</p> <p>TSX will generally require securityholder approval of any transaction that materially affects control of the issuer or provides consideration to insiders that represents 10% or more of the issuer's market capitalization (subject to certain conditions). For distributions of listed securities in reliance on a prospectus exemption (known as private placements), TSX may require securityholder approval depending on the price at which the securities are being sold and the number being sold in relation to the number outstanding. If the price is below market and the number of securities to be issued represents more than 25% of the number outstanding (on a non-diluted basis), securityholder approval will be required, while if the price is at or above market, securityholder approval will generally not be required regardless of the number of securities issued.</p>
<b>Disclosure requirements for issues of new securities</b>	<p>The Listing Rules require that a listed company notifies the market as soon as possible of the results of any new issue of equity securities or a public offering of existing equity securities (except in relation to any block listing of securities).</p> <p>The DTRs require shareholders to notify Centamin in circumstances where the holding of voting rights (or holding or deemed holding through a direct or indirect holding of financial instruments) in Centamin of the shareholder reaches, exceeds or falls certain thresholds. In the context of a non-UK issuer such as Centamin, these thresholds are 3% and each 1% threshold thereafter. Centamin is then required to make an announcement of any such notification given to it by a shareholder.</p> <p>Centamin is also required to disclose the total number of voting rights in issue, which would change following an issue of new securities. If Centamin issued new securities, it may (depending on the circumstances) be required to publish a prospectus approved in the UK by the Financial Conduct Authority ("FCA").</p>	<p>Under Canadian securities laws, a new issue of shares in Canada requires the issuer to file, and have approved by the applicable provincial securities regulatory authorities, a prospectus. However, there are a number of exemptions from these requirements, including:</p> <ul style="list-style-type: none"> <li>(a) issuances to "accredited investors", which include certain prescribed sophisticated investors such as companies that have net assets of C\$5 million and high net worth individuals;</li> <li>(b) issuances where a purchaser is buying as principal and the acquisition cost is not less than C\$150,000 paid in cash at the time of purchase.</li> </ul> <p>Depending on the exemption relied upon, securities issued on a prospectus exemption basis by Centamin may be subject to a four-month hold period in Canada.</p>

## Jersey (including Centamin's Memorandum and Articles of Association)

Under article 2 of the Articles, Centamin cannot issue shares without shareholder approval by Ordinary Resolution (a simple majority). Centamin must also under article 3 of its Articles offer shares on a pre-emptive basis unless shareholders approve the disapplication of pre-emption rights by Special Resolution (three fourths majority) of the company or one of the circumstances in Article 3.2 applies.

## Australian Position

Under ASX Listing Rule 7.1, an entity listed on the ASX cannot issue securities without shareholder approval unless the shares to be issued constitute less than 15% of the total issued share capital of the company, or it has obtained shareholder approval to issue an additional 10% (ie 25%) of its issued capital. This 15% / 25% threshold is calculated by reference to shares on issue over a rolling 12 month period and including shares that have been issued without shareholder approval under an exemption in Listing Rule 7.2.

There are no requirements as a matter of Jersey law for Centamin to produce a disclosure document although where Centamin is making an offer to become a member of the company or to acquire or apply for shares, such offer will constitute a prospectus for Jersey law purposes and require a consent from the Registrar of Companies in Jersey if it is an offer made to the public (as defined in the Companies Law). In such instance a formal offer document is likely to be required before the Companies Registrar will issue his consent.

Broadly speaking an offer to the public is one to more than 50 potential offerees and is not to a restricted circle of persons.

A public company cannot issue new securities without a disclosure document which complies with the requirements of Chapter 6D of the Corporations Act. However, there are a number of exemptions from these requirements under section 708, including:

- (a) small personal offers where the total amount raised does not exceed \$2 million in a 12 month period and from no more than 20 investors;
- (b) issues to "professional investors" (as defined in section 9 of the Corporations Act);
- (c) issues to sophisticated investors, being investors who have an income of more than \$250,000 per annum or assets in excess of \$2,500,000, in each case, as certified by an accountant;
- (d) offers to senior managers or associates of an entity; and
- (e) offers by way of rights issues by listed entities - subject to section 708AA of the Corporations Act (including that an entity has not been suspended from trading for 5 or more days over the preceding 12 months and the entity has complied with its financial reporting requirements).

	UK	Canada
	Any FCA-approved prospectus is required to contain a large number of detailed disclosures including potentially a mineral expert's report.	
<b>Related party transactions</b>	<p>Centamin is subject to the related party transaction provisions in Chapter 11 of the Listing Rules of the FCA.</p> <p>The usual requirements for a related party transaction are:</p> <ul style="list-style-type: none"> <li>- notification to the market containing prescribed details of the transaction and the related party;</li> <li>- an explanatory circular being sent to shareholders. The circular must comply with detailed disclosure requirements; and</li> <li>- independent shareholder approval (ie excluding the related party) being given prior to the transaction being entered into (or, if shareholder approval is made a condition, prior to completion).</li> </ul>	Centamin is subject to Multilateral Instrument 61-101– Protection of Minority Security Holders in Special Transactions (“MI 61 101”), which imposes valuation, minority approval and disclosure requirements on entities involved in certain related party transactions.
<b>Capital reductions</b>	Not applicable.	Not applicable as matter governed by corporate law in Canada.
<b>Appointment or removal of directors</b>	The Financial Reporting Council's UK Corporate Governance Code, which Centamin is required to “comply or explain” against, requires all directors to seek annual re-election.	<p>Subject to certain exemptions, TSX listed issuers are required to, among other things:</p> <ul style="list-style-type: none"> <li>(a) hold elections annually for all of its directors; and</li> <li>(b) allow shareholders to vote for each individual director (rather than a proposed slate).</li> </ul>
<b>Disclosure requirements that apply to mining companies</b>	All mining companies with a listing of equity shares on the premium segment of the Official List and admitted to trading on the LSE must comply with the continuing obligations set out in the Listing Rules, the DTRs and Prospectus Rules and should also have regard to corporate governance and institutional investor guidelines. These obligations include, among other things,	All mining companies listed on the TSX must comply with the continuing listing requirements of the TSX as well as ongoing continuous and periodic disclosure prescribed by National Instrument 51-102 Continuous Disclosure Obligations. These requirements include, among other things, annual (audited) and interim (unaudited) financial information, accompanied by

There are no provisions of the Articles or the Companies Law on related party transactions.

Under Chapter 2E of the Corporations Act and Chapter 10 of the Listing Rules, a public company cannot provide a financial benefit to a related party without shareholder approval, subject to certain exemptions, including arms length transactions. There are also restrictions that apply to remuneration of directors of public companies (and listed entities) particularly any termination payments under section 200 of the Corporations Act and Chapter 10 of the ASX Listing Rules.

Under Part 12 of the Companies Law a company may reduce its capital accounts by Special Resolution. Unless the circumstances in Article 61(4) or (5) apply the reduction must be confirmed by the court in Jersey.

In addition, pursuant to Article 115 of the Companies Law Centamin may declare dividends from its capital accounts (other than a capital redemption reserve) as well as from profits provided that the directors pass a solvency test under Article 115(4) of the Companies Law.

Under Chapter 2J.1 of the Corporations Act, a company can reduce its capital if the reduction:

- (a) is fair and reasonable to the company's shareholders as a whole;
- (b) does not materially prejudice creditors; and
- (c) is approved by shareholders.

In addition, there are specific forms of capital reduction, share buy-backs and financial assistance that have specific rules and restrictions under the Corporations Act and Chapter 7 of the ASX Listing Rules.

Directors may be appointed to fill casual vacancies on the board by the directors of the company. However, the appointment of any director appointed by the board must be ratified by shareholders at the next annual general meeting of the company. In addition, Article 33 of the Articles requires each director to retire at each annual general meeting but every such retiring director is eligible for re-election. Directors of a public company may only be removed by Ordinary Resolution of the members - the board cannot remove directors. Any such resolution of the company is subject to requirements set out in the Companies Law and the Articles (including a 14 day notice period).

Directors may be appointed to fill casual vacancies on the board by the directors of the company. However, the appointment of any director appointed by the board must be ratified by shareholders at the next annual general meeting of the company. In addition, most listed entities have provisions in their constitution requiring directors to retire at least every 3 years but that they are eligible for re-election. Directors of a public company may only be removed by ordinary resolution of the members - the board cannot remove directors. Any such resolution of the company is subject to requirements set out in the Corporations Act (including a 60 day notice period).

The Companies Law contains no disclosure requirements.

Listed entities are subject to continuous disclosure requirements set out in section 674 of the Corporations Act and Listing Rule 3.1 of the Listing Rules.

In addition, as noted in column 1, Australian listed entities that are "mining entities" (as defined in the Listing Rules) are subject to separate disclosure requirements under Chapter 5 of the Listing Rules, which apply to Ampella.



UK	Canada
<p>timely and public disclosure of all material information or changes with respect to a listed company's affairs, periodic financial information (including annual (audited) and interim (unaudited) financial information) and general disclosure obligations (including notifications of shareholdings and dealings by directors and persons discharging managerial responsibilities).</p> <p>As mentioned above, transactions entered into by a premium listed mineral company involving significant mineral resources are subject to an additional class test, the "reserves test". Under the "reserves" test, the volume or amount of the proven reserves and probable reserves to be acquired or disposed of is calculated as a percentage of the total volume or amount of the aggregate proven reserves and probable reserves of the listed mineral company. If the mineral resources are not directly comparable, the FCA may modify this requirement to permit valuations to be used instead of amounts or volumes.</p> <p>In addition, any circular prepared in respect of a prospectus or an to an acquisition or disposal of mineral resources must, subject to certain exceptions, include a mineral expert's report prepared in accordance with the ESMA Guidelines and the Listing Rules.</p>	<p>management's discussion and analysis and CEO and CFO certification. TSX issuers must prepare an Annual Information Form and, subject to limited exceptions, must have a fully independent audit committee. A TSX listed company must make timely and public disclosure of all material information or changes with respect to its affairs.</p> <p>Ongoing disclosure made by TSX listed mining companies must comply with National Instrument 43-101 Standards of Disclosure for Mineral Projects which requires, among other things, that</p> <ul style="list-style-type: none"> <li>(a) all scientific or technical reporting must be based on a technical report or other information;</li> <li>(b) the disclosure must use standardized mineral reserve and resource categories;</li> <li>(c) exploration results must disclose the source of information and name the qualified person responsible for the information;</li> <li>(d) preliminary results such as geophysical surveys or soil samplings be clearly disclosed as such;</li> <li>(e) analytical results must be reported in a timely and responsible manner; and</li> <li>(f) any valuation must include the valuation method and assumptions, the author of the valuation and relationship with the company.</li> </ul>
<p><b>Franking credits</b></p>	<p>This is a tax issue and Ampella Shareholders should obtain independent tax advice on the UK position regarding franking credits.</p>

This is a tax issue and Ampella Shareholders should obtain independent tax advice on the Jersey position regarding franking credits.

This is a tax issue and Ampella Shareholders should obtain independent tax advice on the Australian position regarding franking credits.



Deloitte Touche Tohmatsu  
ABN 74 490 121 060

Woodside Plaza  
Level 14  
240 St Georges Terrace  
Perth WA 6000  
GPO Box A46  
Perth WA 6837 Australia

Tel: +61 8 9365 7000  
Fax: +61 (0) 9365 7001  
[www.deloitte.com.au](http://www.deloitte.com.au)

## Investigating Accountants' Report

The Directors  
Centamin West Africa Holdings Limited  
Hill House  
1 Little New Street  
London EC4A 3TR

6 January 2014

Dear Sirs

### INVESTIGATING ACCOUNTANTS' REPORT ON COMBINED GROUP UNAUDITED PRO FORMA STATEMENT OF FINANCIAL POSITION

This report has been prepared at the request of the Directors of Centamin West Africa Holdings Ltd (Centamin West Africa) for inclusion in a Bidder's Statement to be dated on or about 6 January 2014.

References to Centamin West Africa and Centamin Plc (Centamin) and other terminology used in this report have the same meaning as defined in the Bidder's Statement.

### Background

Deloitte Touche Tohmatsu has been requested by Centamin West Africa to prepare a report on the Combined Group Unaudited Pro Forma Statement of Financial Position disclosed in Section 9.2 of the Bidder's Statement.

### *Combined Group Unaudited Pro Forma Statement of Financial Position*

The Combined Group Unaudited Pro Forma Statement of Financial Position of Centamin set out in Section 9.2 of the Bidder's Statement has been derived from the reviewed Historical Statement of Financial Position of Centamin as at 30 June 2013 and after adjusting for the pro forma adjustments described in Section 9.3 of the Bidder's Statement.

The Directors are responsible for the preparation and presentation of the Combined Group Unaudited Pro Forma Statement of Financial Position, including the determination of the pro forma adjustments, which has been prepared in accordance with the Accounting Policies adopted by Centamin.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see [www.deloitte.com/au/about](http://www.deloitte.com/au/about) for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited

The Combined Group Unaudited Pro Forma Statement of Financial Position is presented in an abbreviated form and does not include all of the disclosures usually provided in an annual report prepared in accordance with the Companies (Jersey) Law or the Corporations Act in Australia.

## Scope

### ***Review of Compilation of the Combined Group Unaudited Pro Forma Statement of Financial Position***

We have reviewed the compilation of the Combined Group Unaudited Pro Forma Statement of Financial Position of Centamin in order to report whether anything has come to our attention which causes us to believe that the Combined Group Unaudited Pro Forma Statement of Financial Position as set out in Section 9.2 of the Bidder's Statement has not been properly compiled on the basis of the Centamin reviewed Statement of Financial Position as at 30 June 2013, after adjusting for the pro forma adjustments described in Section 9.3 of the Bidder's Statement and in accordance with the Accounting Policies adopted by Centamin.

Our review was conducted in accordance with the Standards on Assurance Engagements (ASAE), specifically 3420 "*Assurance Engagements to Report on the Compilation of Pro Forma Historical Financial Information included in a Prospectus or other Document*" (ASAE 3420).

We made such enquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances including:

- analytical procedures applied to the Combined Group Unaudited Pro Forma Statement of Financial Position
- review of the pro forma adjustments reflected in the Combined Group Unaudited Pro Forma Statement of Financial Position as set out in Section 9.3 of the Bidder's Statement
- comparison of consistency in the application of the Accounting Policies adopted by Centamin
- consideration of work papers, accounting records and other documents; and
- enquiries of Directors, management and others.

Our review of the Combined Group Unaudited Pro Forma Statement of Financial Position of Centamin is substantially less in scope than an audit examination conducted in accordance with Australian Auditing Standards. Review procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than that given in an audit. We did not perform an audit and accordingly we do not express an audit opinion on the compilation of the Combined Group Unaudited Pro Forma Statement of Financial Position.

## Statements

### ***Review Statement on the Compilation of the Combined Group Unaudited Pro Forma Statement of Financial Position***

Based on our review of the compilation of the Combined Group Unaudited Pro Forma Statement of Financial Position, which is not an audit, nothing has come to our attention

which causes us to believe that the Combined Group Unaudited Pro Forma Statement of Financial Position as set out in Section 9.2 of the Bidder's Statement has not been properly compiled, in all material respects, on the basis of the Centamin reviewed Statement of Financial Position as at 30 June 2013, after adjusting for the pro forma adjustments described in Section 9.3 of the Bidder's Statement, and in accordance with the Accounting Policies adopted by Centamin.

## Subsequent Events

Apart from the matters dealt with in this report, and having regard to the scope of our report, nothing has come to our attention that would cause us to believe material transactions or events outside of the ordinary business of Centamin have occurred that would require comment on, or adjustment to, the information referred to in our report or that would cause such information to be misleading or deceptive.

## Independence

Deloitte does not have any interest in the outcome of this Offer other than the preparation of this report and other services in relation to the Offer, for which normal professional fees will be received. Deloitte LLP is the auditor of Centamin Plc.

## Responsibility

Deloitte consents to being named in the Bidder's Statement in the form and context in which it is named and to the inclusion of this Investigating Accountants' Report in the Bidder's Statement in the form and context in which it is so included, but has not authorised the issue of the Bidder's Statement. Accordingly, Deloitte makes no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Bidder's Statement.

We disclaim any responsibility for any reliance on the Statements or on the Combined Group Unaudited Pro Forma Statement of Financial Position for any purpose other than that for which they were prepared.

Yours faithfully

*Deloitte Touche Tohmatsu*  
**DELOITTE TOUCHE TOHMATSU**



**Ross Jerrard**  
Partner

## Annexure D - Announcements in relation to the Offer

For immediate release

10 December 2013



### Joint Announcement RECOMMENDED TAKEOVER OFFER FOR AMPELLA MINING BY CENTAMIN

Ampella Mining Limited (ASX: AMX) ("**Ampella**") and Centamin Plc (LSE / TSX: CEY) ("**Centamin**") jointly announce that Ampella has entered into a binding Takeover Bid Implementation Deed ("**TBID**") with Centamin, pursuant to which Centamin (or a wholly owned subsidiary) has agreed to make an off-market takeover for all of the issued, and to be issued, shares of Ampella (the "**Offer**"). Under the Offer, Ampella shareholders will receive one (1) new Centamin share for every five (5) Ampella shares held.

Based on Centamin's closing share price of 44.31 pence on the LSE on 09 December 2013 and an exchange rate of GBP1 = AUD1.81, the offer values Ampella at A\$40.9 million or A\$0.160 per share; representing a 113% premium to Ampella's last closing price of A\$0.075 and a 77% premium to the 20 day volume weighted average price on the ASX, both as at 06 December 2013, being the last trading day prior to Ampella's trading halt on the ASX on Monday 09 December 2013.

The acquisition of Ampella will add significant gold assets to Centamin's development portfolio, with c.2,200km<sup>2</sup> of exploration ground in Burkina Faso, including the Batie West gold project which hosts the 3.25 million ounce Konkera Resource and c.1,200km<sup>2</sup> of exploration ground across the border from Batie West in Cote d'Ivoire. Centamin intends to progress a substantial exploration programme at Batie West, aimed at developing the potential for further significant resource growth and realising the project's full value, ultimately through development of a sizeable producing operation.

#### Ampella Board Recommendation

The Offer is unanimously recommended by the Ampella Board of Directors, who have confirmed they intend to accept the Offer in respect of all shares they control, in each case in the absence of a superior proposal<sup>1</sup>. This recommendation is on the basis that:

- the Offer is the most value enhancing alternative available to Ampella shareholders at the current time;
- the Offer allows Ampella shareholders to become part of a significant gold production company listed on both the London and Toronto Stock Exchanges, with expected production from Centamin's long-life Sukari Gold Mine of over 320,000 ounces in 2013, growing to 450-500,000 ounces per annum from 2015 onwards;
- Centamin's significant cash resources and expected future cash flows from Sukari will provide a high level of funding certainty in the current challenging market environment. Together with Centamin's proven experience of exploration and project delivery, this will ensure continued development of Ampella's Batie West exploration project in Burkina Faso and progression of its early stage exploration licences in Cote d'Ivoire;

<sup>1</sup> This confirmation does not apply to 1,500,000 shares held under the Ampella Employee Share Acquisition Plan, which will be cancelled in accordance with the terms of the plan and the loan.



- the enlarged group will offer a diverse portfolio of assets in Egypt, Burkina Faso, Cote d'Ivoire and Ethiopia, with a combined estimated resource of 18.7 million ounces of gold (of which 15.1 million ounces is Measured and Indicated).

Ampella's largest shareholder, Taurus Funds Management Pty Ltd (18.88%) has entered into a Pre-Bid Acceptance Agreement with Centamin to accept the Offer, subject only to no competing offer being recommended by the Ampella Board between the date of the TBID and 5 business days following publication of Ampella's "Target Statement", which is intended to be released concurrently with Centamin's "Bidder's Statement" to Ampella shareholders.

**Peter Mansell, Chairman of Ampella said:**

"After careful consideration, the board of Ampella is pleased to recommend this transaction to shareholders. By accepting the offer, Ampella shareholders will not only receive a substantial premium to market prices, but also gain the benefits of being part of a larger, profitable gold producer, while retaining some exposure to the exploration potential that the Batie West project offers.

The board believes that Centamin is the ideal party to continue exploration at Batie West, given its larger balance sheet and ability to deploy operating cash flows to fund exploration and development activities, at a time when funding for junior gold companies is extremely challenging.

For these reasons, we are unanimously of the view that the deal makes sense for our shareholders."

**Josef El-Raghy, Chairman of Centamin said:**

"This acquisition provides a significant expansion of Centamin's exploration drive and also a first entry into a highly prospective region of Burkina Faso, which in recent years has proven to be a stable and attractive destination for mining investment.

Ampella has made significant progress at its Batie West gold project in Burkina Faso, with an exploration programme that has delivered a high quality and well defined resource at the Konkera Prospect. It is our belief that Ampella's extensive licence holding over a highly prospective and underexplored +100km trend of gold mineralization, offers outstanding potential for further significant growth of the resource base. We look forward to working with Ampella's highly experienced management and technical team to further progress exploration at the Batie West project and ultimately build further on Centamin's production growth."

**Offer Conditions and Timetable**

The Offer is subject to a number of conditions, as set out in the TBID including:

- a 90% minimum acceptance condition;
- Ampella retaining a minimum cash balance of A\$10 million up to 31 January 2014;
- no prescribed occurrence (as defined in the TBID) occurring in relation to Ampella;
- no material adverse change (as defined in the TBID) occurring in respect of Ampella or its assets;
- no breach of warranty by Ampella; and
- other customary conditions as set out in the TBID, including no regulatory intervention which restrains or prohibits the Offer.

Ampella has agreed to customary deal protection provisions including the payment of a break fee of A\$422,155 in agreed circumstances and non-solicitation and notification rights. The TBID also provides Centamin with a right to match any superior offer that may emerge. If Centamin chooses

not to match, then Ampella's Board may, in accordance with its fiduciary duties, recommend that alternative offer to shareholders, subject to first paying the agreed break fee to Centamin. Full details of the relevant provisions are contained in the TBID, a copy of which Ampella will release separately to the ASX.

Detailed information in relation to the Offer will be set out in a Bidder's Statement, which shall be lodged with the Australian Securities & Investments Commission and sent to Ampella Shareholders, as soon as practicable.

### **About Ampella**

Ampella is an Australian listed company with significant gold assets in Burkina Faso, West Africa: one of the world's most prospective gold producing regions. Ampella has been listed on the Australian Securities Exchange since 2007.

The primary focus of the company is the development of the Batie West gold project, which contains the Konkera Resource. The current resource contains 3.25 million ounces of gold @ 0.5 g/t cut-off, independently verified by Ravensgate to JORC compliant standards<sup>2</sup>. This represents Burkina's largest single undeveloped gold resource at a 1 g/t gold cut-off.

Ampella is receiving corporate and financial advice from Macquarie Capital (Australia) Limited and legal advice from Herbert Smith Freehills.

### **About Centamin**

Centamin is a mining company that has been actively exploring in Egypt since 1995. The company's principal asset is its interest in the large scale, low cost Sukari Gold Mine, located in the Eastern Desert of Egypt. Sukari produced 150,000 ounces of gold in its maiden year of production in 2010, consistently expanding thereafter to reach expected production of over 320,000 ounces in 2013. The 'Stage 4' plant expansion programme commenced in 2011 to target 450-500,000 ounces per annum production from 2015 onward.

The Sukari Gold Mine is the first large-scale modern gold mine in Egypt. Centamin's operating experience in Egypt gives it a significant first-mover advantage in acquiring and developing other gold projects in the prospective Arabian-Nubian Shield. Centamin also has exploration activities in Ethiopia, held both directly and through a joint venture with AIM-listed Alecto Minerals plc.

### **For further information please contact:**

#### **Ampella**

Dr Paul Kitto, Managing Director, +61 8 6142 0980

Mr Drew Totterdell, General Manager Finance & Corporate Development, +61 8 6142 0980

Mr Anthony Hasluck, Managing Director Clarity Communications, + 61 8 9380 0700

#### **Centamin**

Josef El-Raghy, Chairman

Andy Davidson, Head of Business Development and Investor Relations, +44 1534 828708

Bobby Morse, Cornelia Browne & Gabriella Clinkard, Buchanan, +44 20 7466 5000

---

<sup>2</sup> See Ampella's ASX announcement dated 5 March 2013 for detailed information relating to the Konkera Resource. Ampella confirms it is not aware of any new information or data that materially affects the information included in the 5 March 2013 announcement and that all material assumptions and technical parameters underpinning the estimates in the 5 March 2013 announcement have not materially changed.

*This announcement is for information purposes only and does not constitute a prospectus or prospectus equivalent document. It is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law.*

*Nothing contained in this announcement is intended as a forecast, projection or estimate of the future financial performance of Ampella or Centamin.*

*This announcement may contain forward looking statements. Such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of Ampella or Centamin.*

*Centamin and Ampella cannot give any assurance that the results, performance or achievements expressed or implied by the forward looking statements contained in this announcement will actually occur. Investors are cautioned not to place undue reliance on the forward looking statements.*

*Centamin and Ampella have no intention to update or revise forward looking statements or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by law.*

## Annexure E - Ampella Announcements since 31 December 2012

Date	Headline
12/12/2013	Konkera Gold Deposit
11/12/2013	Becoming a substantial holder
10/12/2013	Takeover Bid Implementation Deed
10/12/2013	Recommended Takeover Offer for Ampella by Centamin
09/12/2013	Trading Halt
03/12/2013	Change of Director's Interest Notice
03/12/2013	Change of Director's Interest Notice
03/12/2013	Cancellation of Certain Options
31/10/2013	Quarterly Activities Report
31/10/2013	Quarterly Cashflow Report
14/10/2013	Cote d'Ivoire Tenements Prospectivity
30/09/2013	Change of Share Registry
30/09/2013	Clarification of Exploration Targets
23/09/2013	September Investor Update
20/09/2013	New Napelapera Results
10/09/2013	Updated Half Yearly Report and Accounts
09/09/2013	Half Yearly Report and Accounts
06/09/2013	S&P DJ Indices Announces September Quarterly Rebalance
02/09/2013	Change of Director's Interest Notice
30/08/2013	Appendix 3B 2013 LTI Rights
30/08/2013	Encouraging Results from Napelapera Prospect
30/08/2013	Africa Down Under Investor Presentation
30/08/2013	Cost Management Measures
30/08/2013	Appendix 3B Compensation Rights
26/07/2013	Appendix 3B
18/07/2013	Quarterly Activities Report with CPS
18/07/2013	June Quarterly Update Presentation
18/07/2013	VML: Vital Emerges with 100% of Doulunia Gold Project
17/07/2013	Quarterly Activities Report
17/07/2013	Quarterly Cashflow Report
16/07/2013	Ceasing to be a substantial holder from CBA
10/07/2013	Change in substantial holding from CBA
04/06/2013	Ceasing to be a substantial holder

Date	Headline
30/05/2013	Results of Meeting
30/05/2013	AGM Investor Presentation
30/05/2013	Chairman's Address to Shareholders
03/05/2013	Annual Report to shareholders
03/05/2013	Notice of Annual General Meeting/Proxy Form
30/04/2013	Change in substantial holding
15/04/2013	European Gold Forum Investor Presentation
15/04/2013	Quarterly Activities Report
15/04/2013	Quarterly Cashflow Report
28/03/2013	Annual Report to shareholders
19/03/2013	Mines and Money HK Investor Update
18/03/2013	Boardroom Radio Broadcast
07/03/2013	Change of Director's Interest Notice
05/03/2013	Significant Resource Upgrade
01/03/2013	Appendix 3B Amended
28/02/2013	Change of Director's Interest Notice
28/02/2013	Change of Director's Interest Notice
27/02/2013	Appendix 3B
26/02/2013	Header Correction: Change in substantial holding
26/02/2013	Change of Directors Interest Notice
25/02/2013	BMO Conference Investor Update
13/02/2013	Change in substantial holding
05/02/2013	Change in substantial holding
04/02/2013	Investor Presentation Indaba
31/01/2013	GMP Conference Investor Presentation
31/01/2013	Quarterly Activities Report
31/01/2013	Quarterly Cashflow Report
30/01/2013	Results of Meeting
22/01/2013	Investor Update
16/01/2013	Change in substantial holding

# Annexure F – Tenements and Applications

## PART A: BURKINA FASO - BATIE WEST RESEARCH PERMITS

Research Permit / (Holder)	Original Grant	First Renewal	Second Renewal	Full Term Expiry	Permit Documents / Arrêté	Current Area (km <sup>2</sup> )
<b>Donko</b> (Ampella Mining Sarl)	27 March 2007	27 March 2010	27 March 2013	27 March 2016	Original Grant to Ampella Mining Sarl – Decree N° 2007-07-044 / MCE / SG / DGMGC (Granted 27 March 2007 over an area of 225km <sup>2</sup> )  1 <sup>st</sup> Renewal - Decree N° 2010 10 – 101 / MCE / SG / DGMGC (Granted 22 July 2010 / Effective 27 March 2010)  2 <sup>nd</sup> Renewal - Decree N° 2013 00 - 0152 / MCE / SG / DGMGC (Granted 12 Aug 2013 / Effective 27 March 2013)	168
<b>Tiopolo <sup>(1)</sup></b> (Ampella Mining Gold Sarl)	19 Oct 2005	19 Oct 2008	19 Oct 2011	19 Oct 2014	Original Grant to Mr. Mamoudou Savadogo - Decree N° 2005-05-153 / MCE / SG / DGMGC (Granted 19 Oct 2005 over 160km <sup>2</sup> )  1 <sup>st</sup> Renewal - Decree N° 2008-08-254 / MCE / SG / DGMGC (Granted 24 Dec 2008 / effective 19 Oct 2008, over 160km <sup>2</sup> )  Permit Area Extension - Decree N° 2009-09-196 / MCE / SG / DGMGC (Granted 23 July 2009 and valid until 19 Oct 2011, increasing permit area to 174.4km <sup>2</sup> )  Transfer from Mr. Mamoudou Savadogo to Ampella Mining Gold Sarl - Decree N° 2010 10 – 110 / MCE / SG / DGMGC (Granted 22 July 2010 over an area of 174.4km <sup>2</sup> )  2 <sup>nd</sup> Renewal - Decree N° 2011 11 - 375 / MCE / SG / DGMGC (Granted 24 Nov 2011 / Effective 19 Oct 2011 over an area of 174.4km <sup>2</sup> )	174.40
<b>Danhai <sup>(1)</sup></b> (Ampella Mining Gold Sarl)	10 Oct 2005	10 Oct 2008	10 Oct 2011	10 Oct 2014	Original Grant to Mr. R. Rasmane Savadogo - Decree N° 2005-05-132 / MCE / SG / DGMGC (Granted 10 Oct 2005 over 141.3km <sup>2</sup> )  1 <sup>st</sup> Renewal - Decree N° 2008-08-255 / MCE / SG / DGMGC (Granted 24 Dec 2008 / effective 19 Oct 2008, over 141.3km <sup>2</sup> )  Transfer from Mr. R. Rasmane Savadogo to Mr. Mamoudou Savadogo - Decree N° 2009-09-098 / MCE / SG / DGMGC (Granted 7 April 2009 over an area of 141.3km <sup>2</sup> )  Transfer from Mr. Mamoudou Savadogo to Ampella Mining Gold Sarl - Decree N° 2010 10 – 105 / MCE / SG / DGMGC (Granted 22 July 2010 over an area of 141.3km <sup>2</sup> )  2 <sup>nd</sup> Renewal Decree not yet received (due October 2011) but confirmation of payment of application fee received 3 Oct 2013 (Remittance N° 2838383) and letter of confirmation from the Ministry of Mines on 30 Sep 2013, subject to the above payment.	141.30
<b>Mabera <sup>(1)</sup></b> (Ampella Mining Gold Sarl)	30 Jan 2008	30 Jan 2011	30 Jan 2014	30 Jan 2017	Original Grant to Mr. Mamoudou Savadogo - Decree N° 2008-08-030 / MCE / SG / DGMGC (Granted 30 Jan 2008 over an area of 248km <sup>2</sup> )  Modification – Decree N° 2009-09-195 / MCE / SG / DGMGC (Granted 23 July 2009) modifying the co-ordinates to Decree N° 2008-08-169 / MCE / SG / DGMGC to provide for an area of 248km <sup>2</sup> from 250km <sup>2</sup> . Note: reference in this Decree to a previous Decree N°2008-08-169/MCE/SG/DGMGC, over an area of 248km <sup>2</sup> granted on 14 September 2008. Ampella have been unable to identify this Decree and believe that it is an administrative error on the part of the Ministry of Mines and should reference Decree N°2008-08-030/MCE/SG/DGMGC, over an area of 248km <sup>2</sup> granted on 30 January 2008;  Transfer from Mr. Mamoudou Savadogo to Ampella Mining Gold Sarl - Decree N° 2010 10 – 109 / MCE / SG / DGMGC	247



Research Permit / (Holder)	Original Grant	First Renewal	Second Renewal	Full Term Expiry	Permit Documents / Arrêté	Current Area (km <sup>2</sup> )
					(Granted 22 July 2010 over an area of 248 km <sup>2</sup> ) 1 <sup>st</sup> Renewal - Decree N° 2011 11 - 108 / MCE / SG / DGMGC (Granted 15 June 2011 / Effective 30 Jan 2011 over an area of 247km <sup>2</sup> )	
<b>Kpere Batie <sup>(1)</sup></b> <b>(Ampella Mining Gold Sarl)</b>	30 July 2008	30 July 2011	30 July 2014	30 July 2017	Original Grant to Mr. Mamoudou Savadogo - Decree N° 2008-08-139 / MCE / SG / DGMGC (Granted 30 July 2008 over an area of 131.1km <sup>2</sup> ) Extension - Decree N° 2009-09-194 / MCE / SG / DGMGC (Granted 23 July 2009), extending the permit perimeter to 161.31km <sup>2</sup> Transfer from Mr. Mamoudou Savadogo to Ampella Mining Gold Sarl - Decree N° 2010 10 - 107 / MCE / SG / DGMGC (Granted 22 July 2010 over an area of 161.31 km <sup>2</sup> ) 1 <sup>st</sup> Renewal - Decree N° 2011 11 - 340 / MCE / SG / DGMGC (Granted 24 Oct 2011 / Effective 30 July 2011 over an area of 161.31 km <sup>2</sup> )	161.31
<b>Gbingbina <sup>(1)</sup></b> <b>(Ampella Mining Gold Sarl)</b>	30 July 2008	30 July 2011	30 July 2014	30 July 2017	Original Grant to Mr. Mamoudou Savadogo - Decree N° 2008-08-138 / MCE / SG / DGMGC (Granted 30 July 2008 over an area of 128.41km <sup>2</sup> ) Transfer from Mr. Mamoudou Savadogo to Ampella Mining Gold Sarl - Decree N° 2010 10 - 106 / MCE / SG / DGMGC (Granted 22 July 2010 over an area of 128.41 km <sup>2</sup> and valid until 30 July 2011) 1 <sup>st</sup> Renewal - Decree N° 2011 11 - 347 / MCE / SG / DGMGC (Granted 24 Oct 2011 / Effective 30 July 2011)	128.41
<b>Niorka <sup>(2)</sup></b> <b>(Saydou Savadogo)</b>	11 Jan 2010	11 Jan 2013	11 Jan 2016	11 Jan 2019	Original Grant to Mr. Saydou Savadogo - Decree N° 2010 10 - 004 / MCE / SG / DGMGC (Granted 11 Jan 2010 over an area of 201km <sup>2</sup> ) Transfer of permit from Mr. Saydou Savadogo to Ampella Mining Gold Sarl requested on 22 November 2011 - this has not yet happened. AMX have confirmed payment of transfer fees 1 <sup>st</sup> Renewal requested on 26 February 2013. Correspondence from Ministry of Mines on 26 March 2013 suggests that 1 <sup>st</sup> Renewal would be granted pending payment of necessary fee. Fees paid and receipt obtained on 28 March 2013.	201
<b>Bottara <sup>(2)</sup></b> <b>(Saydou Savadogo)</b>	11 Jan 2010	11 Jan 2013	11 Jan 2016	11 Jan 2019	Original Grant to Mr. Saydou Savadogo - Decree N° 2010 10 - 005 / MCE / SG / DGMGC (Granted 11 Jan 2010 over an area of 183km <sup>2</sup> ) 1 <sup>st</sup> Renewal requested on 26 February 2013. Correspondence from Ministry of Mines on 26 March 2013 suggests that 1 <sup>st</sup> Renewal would be granted pending payment of necessary fee. Fees paid and receipt obtained on 28 March 2013.	183
<b>Doukou <sup>(3)</sup></b> <b>(Serge Aboubacar Sebre)</b>	16 Oct 2008	16 Oct 2011	16 Oct 2014	16 Oct 2017	Original Grant to Mr. Sebre Serge Aboubakar - Decree N° 2008-08-202 / MCE / SG / DGMGC (Granted 16 Oct 2008 over an area of 237km <sup>2</sup> ) 1 <sup>st</sup> Renewal - Decree N° 2011 11 - 366 / MCE / SG / DGMGC (Granted 24 Nov 2011 / Effective 16 Oct 2011 over an area of 237km <sup>2</sup> )	237
<b>Kpere</b> <b>(Ampella Mining Gold Sarl)</b>	1 Dec 2011	1 Dec 2014	1 Dec 2017	1 Dec 2020	Original Grant to Ampella Mining Gold Sarl - Decree N° 2011 11 - 378 / MCE / SG / DGMGC (Granted 1 Dec 2011 over an area of 112km <sup>2</sup> )	112
<b>Kaldera <sup>(4)</sup></b> <b>(S2E Afrique SA)</b>	29 Nov 2010	29 Nov 2013	29 Nov 2016	29 Nov 2019	Original Grant to S2E-Afrique - Decree N° 2010 10 - 190 / MCE / SG / DGMGC (Granted 29 Nov 2010 over an area of 248km <sup>2</sup> )	248
<b>Kandy <sup>(5)</sup></b> <b>(Ampella Mining Sarl)</b>	27 Mar 2007	27 Mar 2010	Due 27 Mar 2013	27 Mar 2016	Original Grant to Ampella Mining Sarl - Decree N° 2007-70-045 / MCE / SG / DGMGC (Granted 27 Mar 2007 over an	221

Research Permit / (Holder)	Original Grant	First Renewal	Second Renewal	Full Term Expiry	Permit Documents / Arrêté	Current Area (km <sup>2</sup> )
<b>Madougou</b> <sup>(5), (6)</sup> (Ampella Mining Sarl)	30 Dec 2005	30 Dec 2008	30 Dec 2011	30 Dec 2014	area of 221km <sup>2</sup> ) 1 <sup>st</sup> Renewal – Decree N° 2010 10-100 / MCE / SG / DGMGC (Granted 22 July 2010 / Effective 27 Mar 2010 over an area of 221km <sup>2</sup> ) Original Grant to Temfor Sarl - Decree N° 2005 – 05 -176 / MCE / SG / DGMGC (Granted 30 Dec 2005 over an area of 244km <sup>2</sup> ) Transfer from Temfor Sarl to Ampella Mining Sarl - Decree N° 2007-07-127 / MCE / SG / DGMGC (Granted 16 August 2007 over an area of 244km <sup>2</sup> and valid until 30 December 2008) 1 <sup>st</sup> Renewal - Decree N° 2009 09 – 156 / MCE / SG / DGMGC (Granted 9 June 2009 / Effective 30 Dec 2008 over an area of 244km <sup>2</sup> ) 2 <sup>nd</sup> Renewal – Decree N° 2012 12 – 162 / MCE / SG / DGMGC (Granted 12 July 2012 / Effective 30 Dec 2011 over an area of 182.30km <sup>2</sup> )	182.30
<b>Doulina</b> <sup>(7)</sup> (Ampella Mining Sarl)	22 Aug 2005	22 Aug 2008	22 Aug 2011	22 Aug 2014	Original Grant to Mr. Laurent Emmanuel Coulibaly - Decree N° 2005 – 05 - 081/ MCE / SG / DGMGC (Granted 22 August 2005 over an area of 247km <sup>2</sup> ) Transfer from Mr. Laurent Emmanuel Coulibaly to Ampella Mining Sarl - Decree N° 2007-07-041 / MCE / SG / DGMGC (Granted 27 March 2007 over an area of 247km <sup>2</sup> and valid until 22 August 2008) 1 <sup>st</sup> Renewal - Decree N° 2009 09 – 155 / MCE / SG / DGMGC (Granted 9 June 2009 / Effective 22 Aug 2008 over an area of 247km <sup>2</sup> ) 2 <sup>nd</sup> Renewal - Decree N° 2012 12 – 254 / MCE / SG / DGMGC (Granted 7 Nov 2012 / Effective 22 Aug 2011 over an area of 184.75km <sup>2</sup> )	184.75
<b>Kampala</b> <sup>(7), (8)</sup> (Ampella Mining Sarl)	3 April 2008	3 April 2011	3 April 2014	3 April 2017	Original Grant to Ampella Mining Sarl - Decree N° 2008 08 – 062 / MCE / SG / DGMGC (Granted 3 April 2008 over an area of 216km <sup>2</sup> ) 1 <sup>st</sup> Renewal not yet granted	216

## Notes:-

- (1) Subject to
  - a. a Memorandum of Understanding between (1) Mr. Mamoudou Savadogo & Associates and (2) Ampella Mining SARL dated 30 June 2008 in relation to an exploration programme on the Tiopolo, Danhal, Mabera, Kpere, and Gbingbina Permits; as amended by
  - b. a Joint Venture Agreement between (1) Ampella Mining SARL, (2) Ampella Mining Gold SARL, (3) Mr. Mamoudou Savadogo and (4) Ampella Mining Limited, dated 8 July 2009, in respect of the Tiopolo, Mabera, Kpere Batie and Gbingbina Permits; and
  - c. a Net Smelter Royalty Agreement between (1) Ampella Mining Gold Sarl, (2) Ampella Mining Sarl, (3) Mr. Mamoudou Savadogo and (4) Mr. Saydou Savadogo dated 12 September 2013.
- (2) Subject to:
  - a. a Joint Venture Agreement between (1) Mr. Saydou Savadogo and (2) Ampella Mining Gold SARL dated 14 January 2010, in respect of the Niorka and Bottara Permits; and
  - b. a Net Smelter Royalty Agreement between (1) Ampella Mining Gold Sarl, (2) Ampella Mining Sarl, (3) Mr. Mamoudou Savadogo and (4) Mr. Saydou Savadogo dated 12 September 2013.
- (3) Subject to a Joint Venture Agreement between (1) Mr. Sebre Serge Aboubakar, (2) Ampella Mining Gold SARL and (3) Ampella Mining Limited, dated 5 October 2009, in respect of the Dounkou Permit.
- (4) Subject to an Option Agreement between (1) Ampella Mining Limited and (2) S2E-Afrique S.A. dated 8 November 2011.
- (5) Subject to a letter of agreement between (1) Ampella Mining Ltd and (2) Carbine Resources Limited, dated 21 December 2009, in respect of an earn-in on the Kandy and Madougou Research Permits (subject to the encumbrance in note 6 below) and Shareholders' Agreement, as amended by an offer letter for the transfer of the Kandy and Madougou Research Permits from Ampella Mining Limited to Carbine Resources Limited dated 8 November 2013.
- (6) Subject to a Memorandum of Understanding between (1) Temfor SARL and (2) Ampella Mining SARL dated 30 January 2007, as amended by a deed of variation dated 28 March 2007, in respect of the Madougou Permit granted on 30 December 2005.
- (7) Subject to a Farm-in and Shareholders' Agreement between (1) Ampella Mining Limited, (2) Ampella Mining SARL, (3) Vital Metals Ltd and (4) Vital Metals Burkina SARL dated 10 January 2011, as amended by a Retained Rights Deed between (1) Ampella Mining Limited, (2) Ampella Mining Sarl, (3) Vital Metals Ltd, (4) Vital Gold Pty Ltd and (5) Vital Metals Burkina Sarl.
- (8) Permit is for the exploration of zinc. All other portfolio permits are for the exploration of gold.

## PART B: COTE D'IVOIRE PERMITS

Research Permit / (Holder)	Original Grant	First Renewal	Second Renewal	Full Term Expiry	Permit Documents / Arrêté	Current Area (km <sup>2</sup> )
<b>Varale</b> (Ampella Mining C.I. S.A.)	13 June 2013	13 June 2016	N/A	13 June 2018	Permit Grant - Decree N° 2013 – 426 (N° 1300464) - Granted 13 June 2013.	400
<b>Doropo Ouest</b> (Ampella Mining C.I. S.A.)	13 June 2013	13 June 2016	N/A	13 June 2018	Permit Grant - Decree N° 2013 – 428 (N° 1300466) - Granted 13 June 2013.	393.80
<b>Kalamon</b> (Ampella Mining C.I. S.A.)	13 June 2013	13 June 2016	N/A	13 June 2018	Permit Grant - Decree N° 2013 – 427 (N° 1300465) - Granted 13 June 2013.	398.90

## Annexure G – Unaudited Interim Consolidated Financial Statements for the Quarter and Nine Months Ended 30 September 2013

The following unaudited interim condensed and consolidated financial statements, for the quarter and nine months ended 30 September 2013, have been extracted without material adjustment from the "Centamin plc Results for the Third Quarter and Nine Months Ended 30 September 2013" dated 6 November 2013 and available on Centamin's website [www.centamin.com](http://www.centamin.com) and reported in accordance with International Financial Reporting Standards, as adopted by the European Union.

### UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2013

	Note	Three Months Ended 30 September				Nine Months Ended September			
		2013		2012		2013		2012	
		Before Excep- tional items US\$'000	Excep- tional Items <sup>(1)</sup> US\$'000	Total US\$'000	US\$'000	Before Excep- tional items US\$'000	Excep- tional Items <sup>(1)</sup> US\$'000	Total US\$'000	US\$'000
Revenue	3	120,129	-	120,129	103,130	392,625	-	392,625	287,639
Cost of sales	4	(58,925)	(14,420)	(73,345)	(41,097)	(165,667)	(39,396)	(205,063)	(123,455)
Gross profit		61,204	(14,420)	46,784	62,033	226,958	(39,396)	187,562	164,184
Other operating costs	4	(17,250)	-	(17,250)	(2,492)	(34,832)	-	(34,832)	(12,352)
Finance income	4	146	-	146	171	568	-	568	820
<b>Profit before tax</b>	4	44,100	(14,420)	29,680	59,712	192,694	(39,396)	153,298	152,652
Tax		(4)	-	(4)	444	(4)	-	(4)	444
Profit for the period attributable to the Company		44,096	(14,420)	29,676	60,156	192,690	(39,396)	153,294	153,096
<b>Other comprehensive income</b>									
<i>Items that may be reclassified subsequently to profit or loss:</i>									
Gains/(losses) on available for sale financial assets (net of tax)		31	-	31	95	(5,156)	-	(5,156)	(433)
<i>Transferred to profit or loss:</i>									
Losses on available for sale financial assets (net of tax)		11,917	-	11,917	-	11,917	-	11,917	-
Other comprehensive income for the period		11,948	-	11,948	95	6,761	-	6,761	(433)
<b>Total comprehensive income attributable to the Company</b>		56,044	(14,420)	41,624	60,251	199,451	(39,396)	160,055	152,663
<i>Earnings per share:</i>									
Basic (cents per share)	10	4.045	(1.323)	2.722	5.527	17.677	(3.614)	14.063	14.012
Diluted (cents per share)	10	4.008	(1.310)	2.698	5.522	17.598	(3.598)	14.000	14.005

(1) Refer to Note 4 for further details.

The above Unaudited Interim Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2013

	Note	30 September 2013 (Unaudited) US\$'000	31 December 2012 (Audited) US\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	920,767	747,571
Exploration and evaluation assets	12	61,400	45,669
Available-for-sale financial assets	13	3,044	5,613
Interests in associates		2,050	3,132
Prepayments	5	8,200	-
<b>Total non-current assets</b>		<b>995,461</b>	<b>801,985</b>
<b>CURRENT ASSETS</b>			
Inventories		115,906	94,636
Trade and other receivables		27,550	40,736
Prepayments	5	2,390	466
Cash and cash equivalents	16	117,527	147,133
<b>Total current assets</b>		<b>263,373</b>	<b>282,971</b>
<b>Total assets</b>		<b>1,258,834</b>	<b>1,084,956</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions		5,966	5,544
<b>Total non-current liabilities</b>		<b>5,966</b>	<b>5,544</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		70,057	54,606
Provisions		1,056	4,962
<b>Total current liabilities</b>		<b>71,113</b>	<b>59,568</b>
<b>Total liabilities</b>		<b>77,079</b>	<b>65,112</b>
<b>Net assets</b>		<b>1,181,755</b>	<b>1,019,844</b>
<b>EQUITY</b>			
Issued capital	8	612,463	612,463
Share option reserve		5,333	3,477
Other reserves		-	-
Accumulated profits		563,959	403,904
<b>Total equity</b>		<b>1,181,755</b>	<b>1,019,844</b>

The above Unaudited Interim Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013**

	Issued Capital US\$'000	Other reserves US\$'000	Share options reserve US\$'000	Accumulated profits US\$'000	Total US\$'000
<b>Balance as at 1 January 2013</b>	612,463	-	3,477	403,904	1,019,844
Profit for the period	-	-	-	153,294	153,294
Other comprehensive income for the period	-	-	-	6,761	6,761
<b>Total comprehensive income for the period</b>	-	-	-	160,055	160,055
Recognition of share based payments	-	-	1,856	-	1,856
<b>Balance as at 30 September 2013</b>	612,463	-	5,333	563,959	1,181,755

	Issued Capital US\$'000	Other reserves US\$'000	Share options reserve US\$'000	Accumulated profits US\$'000	Total US\$'000
<b>Balance as at 1 January 2012</b>	608,596	-	2,006	195,621	806,223
Change in accounting policy*	-	-	-	12,049	12,049
As restated	608,596	-	2,006	207,670	818,272
Profit for the period	-	-	-	153,096	153,096
Other comprehensive income for the period	-	-	-	(433)	(433)
<b>Total comprehensive income for the period</b>	-	-	-	152,663	152,663
Sale of shares under the ELFSP net of share issue costs	3,357	-	-	-	3,357
Recognition of share based payments	-	-	1,045	-	1,045
<b>Balance as at 30 September 2012</b>	611,953	-	3,051	360,333	975,337

\* The Group changed its accounting policy on production-phase stripping costs with effect from 1 January 2012. As a result, the 2011 results have been restated.

The above Unaudited Interim Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.



**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2013**

		Three Months Ended 30 September 2013		Nine Months Ended 30 September 2013	
		2012		2012	
	Note	US\$'000	US\$'000	US\$'000	US\$'000
<b>Cash flows from operating activities</b>					
Cash generated in operating activities	16(b)	74,109	49,229	215,214	141,317
Finance income		(146)	(171)	(568)	(820)
<b>Net cash generated by operating activities</b>		<u>73,963</u>	<u>49,058</u>	<u>214,646</u>	<u>140,497</u>
<b>Cash flows from investing activities</b>					
Acquisition of property, plant and equipment		(66,011)	(51,437)	(223,294)	(168,739)
Exploration and evaluation expenditure		(5,190)	(3,242)	(16,001)	(8,686)
Acquisition of financial assets		-	-	(2,456)	(6,427)
Acquisition of interests in associates		(400)		(500)	
Finance income		146	171	568	820
<b>Net cash used in investing activities</b>		<u>(71,455)</u>	<u>(54,508)</u>	<u>(241,683)</u>	<u>(183,032)</u>
<b>Cash flows from financing activities</b>					
Proceeds from the issue of equity and conversion of options		-	1,425	-	3,356
<b>Net cash provided by financing activities</b>		<u>-</u>	<u>1,425</u>	<u>-</u>	<u>3,356</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		2,508	(4,025)	(27,037)	(39,179)
<b>Cash and cash equivalents at the beginning of the period</b>		114,615	127,734	147,133	164,231
Effect of foreign exchange rate changes		404	870	(2,569)	(473)
<b>Cash and cash equivalents at the end of the period</b>	16	<u>117,527</u>	<u>124,579</u>	<u>117,527</u>	<u>124,579</u>

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2013**

**NOTE 1: ACCOUNTING POLICIES**

**Basis of preparation**

These unaudited interim condensed consolidated financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" ("IAS 34") and the requirements of the Disclosure and Transparency Rules ("DTR") of the Financial Services Authority ("FSA") in the United Kingdom as applicable to interim financial reporting.

The unaudited interim condensed consolidated financial statements represent a 'condensed set of financial statements' as referred to in the DTR issued by the FSA. Accordingly, they do not include all of the information required for a full annual financial report and are to be read in conjunction with the Group's financial statements for the year ended 31 December 2012, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The financial information contained in this report does not constitute statutory accounts under the Companies (Jersey) Law 1991, as amended. The financial information for the year ended 31 December 2012 is based on the statutory accounts for the year ended 31 December 2012. The auditors reported on those accounts: their report was unqualified; however included an emphasis of matter in regards to the significant uncertainty relating to the outcome of the Sukari exploitation lease judgement. Readers are referred to the auditor's report to the Group financial statements as at 31 December 2012 (available at [www.centamin.com](http://www.centamin.com)).

The accounting policies applied in these interim financial statements are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2012. There have been no changes from the accounting policies applied in the 31 December 2012 financial statements, except as disclosed in note 1 below "Changes in accounting policy".

The preparation of these interim condensed consolidated financial statements requires the use of certain significant accounting estimates and judgment by management in applying the Group's accounting policies. There have been no changes to the areas involving significant judgment and estimates that have been set out in Note 4 of the Group's annual audited consolidated financial statements for the year ended 31 December 2012.

#### ***Going concern***

These financial statements for the period ended 30 September 2013 have been prepared on a going concern basis, which contemplate the realisation of assets and liquidation of liabilities during the normal course of operations.

As discussed in Note 7, during the prior year the operation of the mine was affected by two legal actions. The first of these followed from a decision taken by EGPC to charge international, not local (subsidised) prices for the supply of Diesel Fuel Oil, and the second arose as a result of judgment of an Administrative Court of first instance in relation to, amongst other matters, the Company's 160km<sup>2</sup> exploitation lease. In relation to the first decision, the Company remains confident that in the event that it is required to continue to pay international prices, the mine at Sukari will remain commercially viable. Similarly, the Company remains confident that the appeal it has lodged in relation to the decision of the Administrative Court will ultimately be successful, although final resolution of it may take some time. On 20 March 2013 the Supreme Administrative Court upheld the Company's application to suspend the decision until the merits of the Company's appeal are considered and ruled on, thus providing assurance that normal operations would be able to continue during this process.

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

Accordingly, the directors have a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future, and they continue to adopt the going concern basis of accounting in preparing the interim condensed consolidated financial statements.

#### **NOTE 1: ACCOUNTING POLICIES (CONTINUED)**

##### ***Changes in accounting policy***

###### **IFRS 13 "Fair Value Measurement"**

The Group adopted IFRS 13 "Fair Value Measurement" on its effective date of 1 January 2013. IFRS 13 establishes a single framework for measuring fair value when such measurements are required or permitted by other standards. The adoption of IFRS 13 has not had any significant impact on the fair value measurements carried out by the Group and the amounts reported within the unaudited interim condensed consolidated financial statements. IFRS 13 requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including IFRS 7 Financial Instruments: Disclosures. IFRS 13 also results in an amendment to IAS 34 requiring that some of these disclosures relating to financial instruments are made in the unaudited interim condensed consolidated financial statements.

A number of other amendments to accounting standards issued by the International Accounting Standards Board also apply for the first time in 2013. These do not have a significant impact on the accounting policies, methods of computation or presentation applied by the Group.

At the date of authorisation of these unaudited interim condensed consolidated financial statements, the following Standards and Interpretations which have not been applied in these unaudited interim condensed consolidated financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

IFRS 9	Financial Instruments
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IAS 27 (revised)	Separate Financial Statements
IAS 28 (revised)	Investments in Associates and Joint Ventures (2011)
IAS 32 (revised)	Offsetting Financial Assets and Financial Liabilities
IFRIC 21	Levies
Improvements to IFRSs 2009 – 2011	Annual Improvements 2009 – 2011 Cycle

The directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Group in future periods, except as follows:

- IFRS 9 will impact both the measurement and disclosures of Financial Instruments;
- IFRS 11 will affect joint venture accounting, however should have no impact on the accounting of the Concession Agreement; and
- IFRS 12 will impact the disclosure of interests the Group has in other entities.

Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

## NOTE 2: SEGMENT REPORTING

The Group is engaged in the business of exploration and production of precious metals only, which represents a single operating segment. The Board is the Group's chief operating decision maker within the meaning of IFRS 8.

## NOTE 3: REVENUE

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

	Three Months Ended 30 September (Unaudited)		Nine Months Ended 30 September (Unaudited)	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Gold sales	120,019	103,035	392,164	287,405
Silver sales	110	95	461	234
	120,129	103,130	392,625	287,639
Finance income	146	171	568	820
	120,275	103,301	393,193	288,459

#### NOTE 4: PROFIT BEFORE TAX

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

	Three Months Ended 30 September (Unaudited)				Nine Months Ended 30 September (Unaudited)			
	2013		2012		2013		2012	
	Before excep- tional items US\$'000	Excep- tional items US\$'000	Total US\$'000	US\$'000	Before excep- tional items US\$'000	Excep- tional items US\$'000	Total US\$'000	US\$'000
<b>Finance Income</b>								
Interest received	146	-	146	171	568	-	568	820
<b>Expenses</b>								
<b>Cost of sales</b>								
Mine production costs	(46,294)	(12,735)	(59,029)	(31,879)	(132,857)	(39,592)	(172,449)	(100,548)
Movement in inventory	916	(1,685)	(769)	(1,749)	2,970	196	3,166	2,855
Depreciation and Amortisation	(13,547)	-	(13,547)	(7,469)	(35,780)	-	(35,780)	(25,762)
	<u>(58,925)</u>	<u>(14,420)</u>	<u>(73,345)</u>	<u>(41,097)</u>	<u>(165,667)</u>	<u>(39,396)</u>	<u>(205,063)</u>	<u>(123,455)</u>
<b>Other operating costs</b>								
Fixed royalty – Attributable to the								
Egyptian government	(3,594)	-	(3,594)	(3,085)	(11,759)	-	(11,759)	(8,611)
Corporate costs	(3,660)	-	(3,660)	(1,335)	(9,882)	-	(9,882)	(7,837)
Other expenses	(50)	-	(50)	(34)	(137)	-	(137)	(168)
Foreign exchange gain, net	2,209	-	2,209	1,999	937	-	937	4,619
Provision for restoration and rehabilitation – unwinding of discount	(141)	-	(141)	(22)	(422)	-	(422)	(144)
Share of loss in associate	(70)	-	(70)	(15)	(1,582)	-	(1,582)	(211)
Depreciation	(27)	-	(27)	-	(70)	-	(70)	-
Impairment of available for sale financial assets <sup>1</sup>	<u>(11,917)</u>	<u>-</u>	<u>(11,917)</u>	<u>-</u>	<u>(11,917)</u>	<u>-</u>	<u>(11,917)</u>	<u>-</u>
	<u>(17,250)</u>	<u>-</u>	<u>(17,250)</u>	<u>(2,492)</u>	<u>(34,832)</u>	<u>-</u>	<u>(34,832)</u>	<u>(12,352)</u>

(1) Refer to Note 13 for further details.

#### Exceptional items

The Directors consider that items of income or expense which are material by virtue of their unusual, irregular or non-recurring nature should be disclosed separately if the consolidated financial statements are to fairly present the financial position and underlying business performance. In order to allow a better understanding of the financial information presented within the unaudited interim consolidated financial statements, and specifically the Group's underlying business performance, the effect of exceptional items are shown below.

	Three Months Ended 30 September (Unaudited)		Nine Months Ended 30 September (Unaudited)	
	2013	2012	2013	2012
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Included in Cost of sales</b>				
Mine production costs	(12,735)	-	(39,592)	-
Movement in inventory	(1,685)	-	196	-
	<u>(14,420)</u>	<u>-</u>	<u>(39,396)</u>	<u>-</u>

In January 2012 the Company received a letter from Chevron to the effect that Chevron would not be able to continue supplying Diesel Fuel Oil (“**DFO**”) to the mine at Sukari at local subsidised prices. It is understood that the reason that this letter was issued was that Chevron had received a letter instructing it to do so from the Egyptian General Petroleum Corporation (“**EGPC**”). It is further understood that EGPC itself took the decision to issue this instruction because it had received legal advice from the Legal Advice Department of the Council of State (an internal government advisory department) that the companies operating in the gold mining sector in Egypt were not entitled to such subsidies. In addition, the Company during the year received a demand from Chevron for the repayment of fuel subsidies received in the period from late 2009 through to January 2012, amounting to some US\$60 million (EGP403 million). The Group has taken detailed legal advice on this matter (and, in particular, on the opinion given by Legal Advice Department of the Council of State) and as a consequence in June lodged an appeal against EGPC’s decision in the Administrative Courts. Again, the Group believes that its grounds for appeal are strong and that there is every prospect of success. However, as a practical matter, and in order to ensure the continuation of supply, the Group has since January 2012 advanced funds to our fuel supplier, Chevron, based on the international price for diesel.

As at the date of this document, no final decision had been taken by the courts regarding this matter. Furthermore, the Group remains of the view that an instant move to international fuel prices is not a reasonable outcome and will look to recover funds advanced thus far should the court proceeding be concluded in its favour. However, Management recognises the practical difficulties associated with re-claiming funds from the government and for this reason have continued to fully provide against the prepayment of US\$15.1 million and US\$43.2 million made during Q3 2013 and the nine months ended 30 September 2013 respectively, as an exceptional item, as follows:

- (a) a US\$14.6 million and a US\$39.5 million increase in cost of sales,
- (b) a US\$2.3 million and a US\$2.8 million increase in stores inventories,
- (c) a US\$1.8 million decrease and a US\$0.2 million increase in mining stockpiles and ore in circuit, and
- (d) a US\$0.0 million and a US\$0.7 million increase in property, plant and equipment (capital WIP).

This has resulted in a net decrease of US\$14.6 million and US\$39.5 million in the profit and loss in Q3 2013 and nine months ended 30 September 2013 respectively.

#### **NOTE 5: PREPAYMENTS**

	<b>Nine Months Ended 30 September 2013 (Unaudited) US\$'000</b>	<b>Year Ended 31 December 2012 (Audited) US\$'000</b>
<b>Non-current Prepayments</b>		
Advance payment to EMRA <sup>(1)</sup>	8,200	-

- (1) Following discussions with EMRA, and with a view to demonstrating goodwill toward the Egyptian government, during Q1 an advance payment was made in relation to this likely 2014 profit share to the value of US\$8.2 million and this advance payment will be netted off against any future profit share that becomes payable.

	Nine Months Ended 30 September 2013 (Unaudited) US\$'000	Year Ended 31 December 2012 (Audited) US\$'000
<b>Current Prepayments</b>		
Prepayments	2,390	466
Fuel prepayments	-	-
Prepayments	2,390	466

#### Movement in fuel prepayments <sup>(1)</sup>

Balance at the beginning of the period	-	-
Fuel prepayment recognised	43,185	41,417
Less: <i>Provision charged to</i> <sup>(2)</sup> :		
Mine production costs (see Note 4)	(39,592)	(36,654)
Property, plant and equipment	(742)	(4,157)
Inventories	(2,851)	(606)
Balance at the end of the period	-	-

(1) The cumulative fuel prepayment recognised and provision charged as at 30 September 2013 is as follows:

Fuel prepayment recognised (US\$'000)	84,602
Provision charged to:	
Mine production costs (US\$'000)	(76,246)
Property, plant and equipment (US\$'000)	(4,899)
Inventories (US\$'000)	(3,457)

(2) Refer to Note 4, Exceptional Items, for further details.

#### **NOTE 6: COMMITMENTS**

The following is a summary of the Company's outstanding commitments as at 30 September 2013:

Payments due	Total US\$'000	< 1 year US\$'000	1 to 5 years US\$'000	>5 years US\$'000
Capital Commitments	11,430	11,430	-	-
Operating Lease Commitments	316	62	239	15
<b>Total commitments</b>	<b>11,746</b>	<b>11,492</b>	<b>239</b>	<b>15</b>

#### **NOTE 7: CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

##### ***Contingent Liabilities***

##### ***Fuel Supply***

In January 2012, the Group received a letter from Chevron to the effect that Chevron would only be able to supply Diesel Fuel Oil ("DFO") to the mine at Sukari at international prices rather than at local subsidised prices, which had the effect of adding approximately US\$150 per ounce to the cost of production. It is understood that the reason that this letter was issued was that Chevron had received a letter instructing it to do so from the Egyptian General Petroleum Corporation ("EGPC"). It is further understood that EGPC itself issued this instruction because it had received legal advice from the Legal Advice Department of the Council of State (an internal government advisory department) that the companies operating in the gold mining sector in Egypt were not entitled to such subsidies. In November, 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\$60 million at the then current exchange rates).

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



As at the date of this document, no decision had been taken by the courts regarding this matter. The case is progressing in accordance with our expectations. It is currently before the State Commissioner's Authority, an advisory body to the Court. This is in line with standard procedure. The Group remains of the view that an instant move to international fuel prices is not a reasonable outcome and will look to recover funds advanced thus far should the court proceeding be successfully concluded. However, Management recognises the practical difficulties associated with re-claiming funds from the government and for this reason have fully provided against the prepayment of US\$84.6 million, as an exceptional item, with US\$41.4 million provided for during Q4 2012, US\$13.9 million provided for during Q1 2013, US\$14.2 million provided for during Q2 2013 and an additional US\$15.1 million provided for during Q3 2013. Refer to Note 4 of the accompanying financial statements for further details on the impact of this exceptional provision on the Group's results for Q3 2013.

No provision has been made in respect of the historic subsidies prior to January 2012 as, based on legal advice, the Company believes that the prospects of a court finding in its favour in relation to this matter remain strong.

#### *Egyptian Court Litigation*

On 30 October 2012, the Administrative Court in Egypt handed down a judgment in relation to a claim brought by, amongst others, an independent member of the previous parliament, in which he sought nullification of the agreement that confers on the Group rights to operate in Egypt. This agreement, the Concession Agreement, was entered into between the Arab Republic of Egypt, the Egyptian Mineral Resources Authority ("**EMRA**") and Centamin's wholly owned subsidiary Pharaoh Gold Mines ("**PGM**"), and was approved by the People's Assembly as Law 222 of 1994.

In summary that judgment states that, although the Concession Agreement itself remains valid and in force, insufficient evidence was presented to Court in order to demonstrate that the 160km<sup>2</sup> "exploitation lease" between PGM and EMRA had received approval from the relevant Minister as required by the terms of the Concession Agreement. Accordingly, the Court found that the exploitation lease in respect of the area of 160km<sup>2</sup> was not valid although it stated that there was in existence such a lease in respect of an area of 3km<sup>2</sup>. Centamin, however, is in possession of the executed original lease documentation which clearly shows that the 160km<sup>2</sup> 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.

Upon notification of the judgment the Group took various steps to protect its ability to continue to operate the mine at Sukari. These included both lodging a formal appeal before the Supreme Administrative Court ("**SAC**") on 26 November 2012 and, in the first instance, lodging an "Objection to Enforcement" of the original ruling with the Civil Court on 31 October 2012, which had the effect of "staying" (postponing) implementation for an initial period. EMRA lodged its own appeal on 27 November 2012, the day after the Company's appeal was lodged. 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. We believe this demonstrates the government's commitment to our investment at Sukari and the desire to stimulate further investment in the Egyptian mining industry. In conjunction with the formal appeal the Group applied to the SAC to suspend the initial decision until such time as the SAC is able to consider and rule on the merits of the appeal. As part of this process the SAC was supplied with a copy of the exploitation lease. On 20 March 2013, the presiding judges of the SAC unanimously upheld this application and on this basis normal operations will continue during the appeal process. In its ruling the SAC held that, "on the basis of the copy of the exploitation lease executed by the Minister of Petroleum presented to SAC, the annulment of such lease by the Administrative Court was likely to be cancelled upon the issuance of a judgment on the merits of the case".

At the first scheduled hearing on 19 June 2013, the SAC handed down the Egyptian State Commissioner's non-binding advisory report and adjourned the hearing until 24 September 2013 for the parties to make further submissions. Whilst the recommendations of the advisory report are not positive, the Company does not believe that they address the substantive merits of Centamin's appeal and as such the Company's grounds of appeal remain unchanged upon the initial review of the State Commissioner's report. At the hearing on 24 September 2013, the SAC referred the case to the Merits Circuit, a subdivision of the SAC. This is standard procedure but the Company believes it is a positive step as the SAC does not refer appeals, which it does not consider to have any prospects of success, to the Merits Circuit. The first hearing before the Merits Circuit will be on 19 November 2013.

We do not yet know when the appeal will conclude, although we are aware of the potential for the process in Egypt to be lengthy. The Company has taken extensive legal advice on the merits of its appeal from two leading Egyptian law firms who have confirmed that the proper steps were followed with regard to the grant of the 160km<sup>2</sup> exploitation lease. We therefore remain of the view that the appeal is based on strong legal grounds and will ultimately be successful. In the event that the appellate court fails to be persuaded of the merits of the case put forward by the Group, the operations at Sukari may be adversely effected to the extent that the Company's operation exceeded the exploitation lease area of 3 km<sup>2</sup> referred to in the original court decision.

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

### **Contingent Assets**

There were no contingent assets at period-end (30 September 2012: nil; 31 December 2012: nil).

### **NOTE 8: ISSUED CAPITAL**

	Nine Months Ended 30 September 2013 (Unaudited)		Year Ended 31 December 2012 (Audited)	
	Number	US\$'000	Number	US\$'000
Balance at beginning of the period	1,101,397,381	612,463	1,096,297,381	608,596
Issue of shares under share/option scheme	-	-	5,100,000	3,357
Transfer from share option reserve	-	-	-	510
Balance at end of the period	<b>1,101,397,381</b>	<b>612,463</b>	<b>(39,396)</b>	<b>612,463</b>

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

### **NOTE 9: RELATED PARTY TRANSACTIONS**

The related party transactions for the three months ended 30 September 2013 are summarised below:

- Salaries, superannuation contributions, bonuses, consulting and Directors' fees paid to Directors during the three months ended 30 September 2013 amounted to US\$742,886 (30 September 2012: US\$2,662,688).
- Mr J El-Raghy is a Director and shareholder of El-Raghy Kriewaldt Pty Ltd ("ELK"), which provides office premises to the Company in Australia. All dealings with ELK are in the ordinary course of business and on normal terms and conditions. Rent paid to ELK during the three months ended 30 September 2013 amounted to US\$12,867 (30 September 2012: US\$8,337).

The related party transactions for the nine months ended 30 September 2013 are summarised below:

- Salaries, superannuation contributions, bonuses, consulting and Directors' fees paid to Directors during the nine months ended 30 September 2013 amounted to US\$1,854,893 (30 September 2012: US\$3,795,241).
- Mr J El-Raghy is a Director and shareholder of El-Raghy Kriewaldt Pty Ltd ("ELK"), which provides office premises to the Company in Australia. All dealings with ELK are in the ordinary course of business and on normal terms and conditions. Rent paid to ELK during the nine months ended 30 September 2013 amounted to US\$32,681 (30 September 2012: US\$13,631).

### **NOTE 10: EARNINGS PER SHARE**

Basic earnings per share are calculated using the weighted average number of shares outstanding. Diluted earnings per share are calculated using the treasury stock method. In order to determine diluted earnings per share, the treasury stock method assumes that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted earnings per share calculation. The diluted earnings per share calculation excludes any potential conversion of options and warrants that would increase earnings per share.

	Three Months Ended 30 September (Unaudited)		Nine Months Ended 30 September (Unaudited)	
	2013	2012	2013	2012
	Cents Per Share	Cents Per Share	Cents Per Share	Cents Per Share
Basic earnings per share	2.72	5.53	14.06	14.01
Diluted earnings per share	2.70	5.52	14.00	14.01

### Basic earnings per share

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

	Three Months Ended 30 September (Unaudited)		Nine Months Ended 30 September (Unaudited)	
	2013	2012	2013	2012
	US\$'000	US\$'000	US\$'000	US\$'000
Earnings used in the calculation of basic EPS	29,676	60,251	153,294	152,663
	Three Months Ended 30 September (Unaudited)		Nine Months Ended 30 September (Unaudited)	
	2013	2012	2013	2012
	No.	No.	No.	No.
Weighted average number of ordinary shares for the purpose of basic EPS	1,090,050,159	1,090,050,159	1,090,050,159	1,089,515,214

### Diluted earnings per share

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

	Three Months Ended 30 September (Unaudited)		Nine Months Ended 30 September (Unaudited)	
	2013	2012	2013	2012
	US\$'000	US\$'000	US\$'000	US\$'000
Earnings used in the calculation of diluted EPS	29,676	60,251	153,294	152,663
	Three Months Ended 30 September (Unaudited)		Nine Months Ended 30 September (Unaudited)	
	2013	2012	2013	2012
	No.	No.	No.	No.
Weighted average number of ordinary shares for the purpose of diluted EPS	1,100,097,659	1,091,011,384	1,094,960,800	1,090,023,971
Weighted average number of ordinary shares for the purpose of basic EPS	1,090,050,159	1,090,050,159	1,090,050,159	1,089,515,214
Shares deemed to be issued for no consideration in respect of employee options	10,047,500	961,225	4,910,641	508,757
Weighted average number of ordinary shares used in the calculation of diluted EPS	1,100,097,659	1,091,011,384	1,094,960,800	1,090,023,971

## NOTE 11: PROPERTY, PLANT AND EQUIPMENT

Nine Months Ended 30 September 2013 (Unaudited)	Office equipment US\$'000	Land and buildings US\$'000	Plant and equipment US\$'000	Mobile equipment US\$'000	Mine Development properties US\$'000	Stripping Asset US\$'000	Capital WIP US\$'000	Total US\$'000
<b>Cost</b>								
Balance at 31 December 2012	3,595	171	278,366	105,276	176,407	-	259,856	823,671
Additions	236	-	14	203	-	-	208,599	209,052
Disposals	-	-	-	(6)	-	-	-	(6)
Transfers	585	-	8,449	59,078	-	-	(68,112)	-
Balance at 30 September 2013	4,416	171	286,829	164,551	176,407	-	400,343	1,032,717
<b>Accumulated depreciation</b>								
Balance at 31 December 2012	(2,516)	(16)	(28,252)	(29,707)	(15,609)	-	-	(76,100)
Depreciation and amortisation	(417)	(6)	(10,517)	(11,509)	(13,401)	-	-	(35,850)
Balance at 30 September 2013	(2,933)	(22)	(38,769)	(41,216)	(29,010)	-	-	(111,950)
<b>Year Ended 31 December 2012 (Audited)</b>	<b>Office equipment US\$'000</b>	<b>Land and buildings US\$'000</b>	<b>Plant and equipment US\$'000</b>	<b>Mobile equipment US\$'000</b>	<b>Mine Development properties US\$'000</b>	<b>Stripping Asset US\$'000</b>	<b>Capital WIP US\$'000</b>	<b>Total US\$'000</b>
<b>Cost</b>								
Balance at 31 December 2011	2,727	14	273,940	77,074	119,837	-	108,767	582,359
Additions	220	-	-	-	56,570	-	184,522	241,312
Transfers	648	157	4,426	28,202	-	-	(33,433)	-
Balance at 31 December 2012	3,595	171	278,366	105,276	176,407	-	259,856	823,671
<b>Accumulated depreciation</b>								
Balance at 31 December 2011	(1,926)	(9)	(14,883)	(19,510)	(4,135)	-	-	(40,463)
Depreciation and amortisation	(590)	(7)	(13,369)	(10,197)	(11,474)	-	-	(35,637)
Balance at 31 December 2012	(2,516)	(16)	(28,252)	(29,707)	(15,609)	-	-	(76,100)
<b>Net book value</b>								
As at 31 December 2012	1,079	155	250,114	75,569	160,798	-	259,856	747,571
As at 30 September 2013	1,483	149	248,060	123,335	147,397	-	400,343	920,767

## NOTE 12: EXPLORATION AND EVALUATION ASSETS

	Nine Months Ended 30 September 2013 (Unaudited) US\$'000	Year Ended 31 December 2012 (Audited) US\$'000
Balance at the beginning of the period	45,669	31,113
Expenditure for the period	15,731	14,556
Balance at the end of the period	61,400	45,669

The exploration and evaluation asset relates to the drilling, geological exploration and sampling of potential ore reserves. During 2011 the Group acquired the exploration rights in Sheba Exploration Holdings Limited (previously, Sheba Exploration (UK) plc) for US\$10.2 million, being the licences of Werie Lehe and Saharti Licences, granted until 29 November 2013, and the Una Deriam Licence, granted until 19 March 2014. All licences are renewable for a period of one year.

**NOTE 13: AVAILABLE-FOR-SALE FINANCIAL ASSETS**

The unrealised gains/(losses) on available-for-sale investments recognised in other comprehensive income were as follows:

	Three Months Ended 30 September (Unaudited)		Nine Months Ended 30 September (Unaudited)	
	2013	2012	2013	2012
	US\$'000	US\$'000	US\$'000	US\$'000
Profit/(loss) on fair value of investment – other comprehensive income	31	95	(5,156)	(433)

The available for sale financial asset at period-end relates to a 19% equity interest in Nyota Minerals Limited ("NYO"), a listed public company. Subsequent to period end the Company reduced its interest in Nyota Minerals Limited to 14.4%.

As a result of the prolonged decline in the fair value of the investment in Nyota, an impairment loss has been recognised as follows:

	Three Months Ended 30 September (Unaudited)		Nine Months Ended 30 September (Unaudited)	
	2013	2012	2013	2012
	US\$'000	US\$'000	US\$'000	US\$'000
Impairment loss - profit / Transfer of unrealised loss – other comprehensive income	11,917	-	11,917	(433)

**NOTE 14: SHARE BASED PAYMENTS**

No share based payments were awarded or granted to employees during the third quarter.

**NOTE 15: FINANCIAL INSTRUMENTS' FAIR VALUE DISCLOSURES**

The Group has no financial instruments with fair values that are determined by reference to significant unobservable inputs, i.e. those that would be classified as level 3 in the fair value hierarchy, nor have there been any transfers of assets or liabilities between levels of the fair value hierarchy.

The Group's interest in Nyota Minerals Limited is classified as an available for sale financial asset (see note 13). The Group carries its interest in Nyota Minerals Limited at fair value, and measures its interest using Level 1 unadjusted quoted prices.

The director's consider that the carrying amounts of financial assets and financial liabilities carried at amortised cost approximate their fair value.

**NOTE 16: NOTES TO THE STATEMENTS OF CASH FLOWS****(a) Reconciliation of cash and cash equivalents**

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

	Three Months Ended 30 September (Unaudited)		Nine Months Ended 30 September (Unaudited)	
	2013	2012	2013	2012
	US\$'000	US\$'000	US\$'000	US\$'000
Cash and cash equivalents	117,527	124,579	117,527	124,579

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

	Three Months Ended 30 September (Unaudited)		Nine Months Ended 30 September (Unaudited)	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
<b>Profit for the period</b>	29,676	60,156	153,294	153,096
Add/(less) non-cash items:				
Depreciation / amortisation of property, plant and equipment	13,575	7,469	35,850	25,762
(Decrease) / increase in provisions	238	(22)	(3,484)	(175)
Foreign exchange rate loss / (gain), net	(2,195)	(1,797)	776	(3,787)
Impairment of available for sale financial assets	11,917	-	11,917	-
Share of loss in associate	70	15	1,582	211
Share based payments	711	424	1,856	1,045
<b>Changes in working capital during the period:</b>				
Decrease in trade and other receivables	10,761	461	13,186	3,062
Increase in inventories	(10,687)	(558)	(21,270)	(16,495)
Increase in prepayments	(1,015)	(11,325)	(10,124)	(26,725)
Increase/(decrease) in trade and other payables	21,058	(5,594)	31,631	5,323
Cash flows generated from operating activities	74,109	49,229	215,214	141,317

**(c) Non-cash financing and investing activities**

There have been no non-cash financing and investing activities during the current or comparative period quarter.

**NOTE 17: SUBSEQUENT EVENTS**

- Subsequent to period end the Company reduced its interest in Nyota Minerals Limited from 19.4% to 14.4% and generated proceeds amounting to US\$0.6 million.
- There were no other significant events occurring after the reporting date requiring disclosure in the financial statements.



THIS PAGE IS LEFT INTENTIONALLY BLANK

For personal use only



## Centamin West Africa Holdings Limited

(a limited company registered in England and Wales with  
Registered Company Number 8816954)  
a wholly owned subsidiary of

## Centamin plc

(a public company registered in Jersey with  
Registered Company Number 109180)

## Return your Form:



### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 52  
Melbourne Victoria 3001  
Australia

## For all enquiries:



### Phone:

(within Australia) 1800 821 468  
(outside Australia) +61 2 8256 3391

000001 000 AMXT

MR SAM SAMPLE  
UNIT 123  
SAMPLE STREET  
SAMPLETOWN NSW 2001

## Transfer and Acceptance form

## ISSUER SPONSORED



### Your form must be received by the end of the Offer Period.

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an offer ("Offer") by Centamin West Africa Holdings Limited ("Centamin West Africa") to acquire all of your Shares in Ampella Mining Limited ("Ampella") ABN (59 121 152 001) the terms of which are set out in the Bidder's Statement from Centamin West Africa dated 7 January 2014 as replaced or supplemented (the "Bidder's Statement"). Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined.

If you are in doubt about how to deal with the Offer, please contact your financial or other professional advisor.

Note this form can only be used in relation to the securityholding represented by the details printed above and overleaf.

### Step 1: Registration Name & Offer Details

Your consideration will be issued to the name(s) as they appear on the latest copy of the Ampella register of members, as provided to Centamin West Africa. The current address recorded by Centamin West Africa is printed above and overleaf. If you have recently bought or sold Ampella Shares your holding may differ from that shown. If you have already sold all your Ampella Shares in Ampella, do not complete or return this form.

### Step 2: Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your Ampella Shares. Note the alternative for shareholders with existing arrangements with a UK stockbroker or UK bank (Section 17.6(1) of the Bidder's Statement).

By signing this form, you warrant to Centamin West Africa (and authorise Centamin West Africa to warrant on your behalf) that you have full legal and beneficial ownership of the Ampella Shares to which this form relates and that Centamin West Africa will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable), restrictions on transfer of any kind and free from any third party rights.

### Step 3: Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders must sign.

**Power of Attorney:** Where signing as Power of Attorney (POA), you must attach an original certified copy of the document granting the POA to this form.

**Companies:** Where the holding is in the name of a company, this form must be signed in accordance with the Corporations Act, either as:

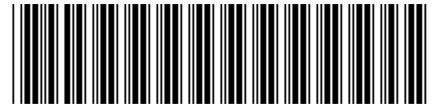
- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

**Overseas Companies:** Where the holding is in the name of an overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

**Deceased Estate:** All executors must sign and a certified copy of Probate or Letters of Administration must accompany this form.

Entering contact details is not compulsory, but will assist us if we need to contact you. By providing contact details, you authorise Centamin West Africa or its agent to contact the person noted and discuss about your acceptance.

**Turn over to complete the form →**



I 1111111111

I ND

# Transfer and Acceptance form

STEP 1

## Registration Name & Offer Details



For your security keep your SRN/  
HIN confidential.

**Registration Name:** MR SAM SAMPLE  
UNIT 123  
SAMPLE STREET  
SAMPLETOWN NSW 2001

**Offer Details:** Number of Ampella Shares held at Friday 3 January 2014:

**2000**

By accepting the Offer for ALL of your Ampella Shares, you are accepting the Offer for ALL the Ampella Shares as recorded by Centamin West Africa as being held by you at the date your acceptance is processed (even if different to the number stated above).

STEP 2

## Accept the Offer

You will be deemed to have elected to receive Certificated Centamin Shares in consideration for ALL of your Ampella Shares if you do not complete, or make an invalid or indistinct election below. The consideration applicable is set out in the terms of Centamin West Africa's Offer.

- ☐ **Receive your Consideration Shares in Certificated form as per registration name printed above in step 1 (that is, by way of a physical Share Certificate)**
- ☐ **Receive Consideration Shares in uncertificated form (that is, in CREST)**  
(You must provide a complete **Direction and Indemnity form** in accordance with Section 17.6 of the Bidder's Statement)

If you are an Ineligible Foreign Shareholder or Small Shareholder, any election above will be invalid. Instead you will receive the net cash sale proceeds of Consideration Shares which you would otherwise have been entitled in accordance with Section 17.12, 7.13 and 7.14 of the Bidder's Statement.

STEP 3

## Signature of Securityholder(s) *This section must be completed.*

I/We accept the Offer made by Centamin West Africa for ALL of my/our Ampella Shares and I/we agree to be bound by the terms and conditions of the Offer and transfer ALL of my/our Ampella Shares as per the above instruction.

**Individual or Securityholder 1**

Sole Director and Sole Company Secretary/  
Sole Director (cross out titles as applicable)

**Securityholder 2**

Director

**Securityholder 3**

Director/Company Secretary  
(cross out titles as applicable)

Contact  
Name

Contact  
Daytime  
Telephone

## Privacy Statement

Personal information is collected on this form by Computershare Investor Services Pty Limited ("CIS") for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act, you may be sent material (including marketing material) approved by Centamin West Africa Holdings Limited in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail [privacy@computershare.com.au](mailto:privacy@computershare.com.au)

AMXT

999999A

**Computershare** +

## Centamin West Africa Holdings Limited

(a limited company registered in England and Wales with  
Registered Company Number 8816954)  
a wholly owned subsidiary of

## Centamin plc

(a public company registered in Jersey with  
Registered Company Number 109180)

000002 000 AMXT

MR SAM SAMPLE  
UNIT 123  
SAMPLE STREET  
SAMPLETOWN NSW 2001

## Return your Form:



### To Your Controlling Participant:

Return this form directly to your  
stockbroker



### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 52  
Melbourne Victoria 3001  
Australia

## For all enquiries:

### Phone:



(within Australia) 1800 821 468  
(outside Australia) +61 2 8256 3391

## Transfer and Acceptance form

CHESS

 **Your form must be received with sufficient time to allow processing prior to the end of the Offer Period.**

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an offer ("Offer") by Centamin West Africa Holdings Limited ("Centamin West Africa") to acquire all of your Shares in Ampella Mining Limited ("Ampella") ABN (59 121 152 001) the terms of which are set out in the Bidder's Statement from Centamin West Africa dated 7 January 2014 as replaced or supplemented (the "Bidder's Statement"). Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined. If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor. Note this form can only be used in relation to the securityholding represented by the details printed above and overleaf.

### Step 1: Registration Name & Offer Details

Your consideration will be issued to the name(s) as they appear on the latest copy of the Ampella register, as provided to Centamin West Africa. The current address recorded by Centamin West Africa is printed above and overleaf. If you have recently bought or sold Shares your holding may differ from that shown. If you have already sold all your Shares in Ampella, do not complete or return this form.

### Step 2: Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your Shares. As your Ampella Shares are in a CHESS holding, you may instruct your Controlling Participant (normally your stockbroker) directly to accept the Offer. If you do this, your Controlling Participant will provide you with details as to what they require in order to accept the Offer on your behalf. If you want Centamin West Africa to contact your Controlling Participant on your behalf, sign and return this form to the address above so that it is received in sufficient time to allow your instruction to be acted upon by the close of the Offer Period. This will authorise Centamin West Africa and Computershare Investor Services Pty Limited ("CIS") to request your Controlling Participant to initiate acceptance of the Offer on your behalf. Note the alternative for shareholders with existing arrangements with a UK stockbroker or UK bank (Section 17.6(1) of the Bidder's Statement).

By signing this form, you warrant to Centamin West Africa (and authorise Centamin West Africa to warrant on your behalf) that you have full legal and beneficial ownership of the Shares to which this form relates and that Centamin West Africa will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable), restrictions on transfer of any kind and free from any third party rights. You should allow sufficient time for your Controlling Participant or Centamin West Africa to initiate the acceptance of Centamin West Africa's Offer on your behalf. Neither Centamin West Africa or CIS will be responsible for any delays incurred by the process of requesting your Controlling Participant to accept the Offer.

### Step 3: Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders must sign.

**Power of Attorney:** Where signing as Power of Attorney (POA), you must attach an original certified copy of the POA to this form.

**Companies:** Where the holding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

**Overseas Companies:** Where the holding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

**Deceased Estate:** All executors must sign and a certified copy of Probate or Letters of Administration must accompany this form.

Entering contact details is not compulsory, but will assist us if we need to contact you. By providing contact details, you authorise Centamin West Africa or its agent to contact the person noted and discuss about your acceptance.

**Turn over to complete the form →**




X 2222222222

I ND

# Transfer and Acceptance form

STEP 1

## Registration Name & Offer Details

 For your security keep your SRN/  
HIN confidential.

**Registration Name:** MR SAM SAMPLE  
UNIT 123  
SAMPLE STREET  
SAMPLETOWN NSW 2001

Controlling Participant Identifier:

**Offer Details:** Number of Ampella Shares held at Friday 3 January 2014:

2000

By accepting the Offer for ALL of your Ampella Shares, you are accepting the Offer for ALL the Ampella Shares as recorded by Centamin West Africa as being held by you at the date your acceptance is processed (even if different to the number stated above).

STEP 2

## Accept the Offer

You will be deemed to have elected to receive Certificated Centamin Shares in consideration for ALL of your Ampella Shares if you do not complete, or make an invalid or indistinct election below. The consideration applicable is set out in the terms of Centamin West Africa's Offer.

- ☐ **Receive your Consideration Shares in Certificated form as per registration name printed above in step 1 (that is, by way of a physical Share Certificate)**
- ☐ **Receive Consideration Shares in uncertificated form (that is, in CREST)**  
(You must provide a complete **Direction and Indemnity form** in accordance with Section 17.6 of the Bidder's Statement)

If you are an Ineligible Foreign Shareholder or Small Shareholder, any election above will be invalid. Instead you will receive the net cash sale proceeds of Consideration Shares which you would otherwise have been entitled in accordance with Section 17.12, 7.13 and 7.14 of the Bidder's Statement.

STEP 3

## Signature of Securityholder(s) *This section must be completed.*

I/We accept the Offer made by Centamin West Africa for ALL of my/our Ampella Shares and I/we agree to be bound by the terms and conditions of the Offer and transfer ALL of my/our Ampella Shares as per the above instruction.

**Individual or Securityholder 1**

Sole Director and Sole Company Secretary/  
Sole Director (cross out titles as applicable)

**Securityholder 2**

Director

**Securityholder 3**

Director/Company Secretary  
(cross out titles as applicable)

Contact  
Name

Contact  
Daytime  
Telephone

## Privacy Statement

Personal information is collected on this form by Computershare Investor Services Pty Limited ("CIS") for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act, you may be sent material (including marketing material) approved by Centamin West Africa Holdings Limited in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail [privacy@computershare.com.au](mailto:privacy@computershare.com.au)

AMXT

999999B

Computershare 