



CENTAMIN EGYPT LIMITED

## THIRD QUARTER REPORT

31 March 2007

### AUSTRALIA

57 Kishorn Road, Mt Pleasant, Western Australia 6153  
Telephone 618 9316 2640 Facsimile 618 9316 2650

Email [centamin@centamin.com.au](mailto:centamin@centamin.com.au)

Website [www.centamin.com.au](http://www.centamin.com.au) ABN 86 007 700 352

### EGYPT

361 El-Horreya Road, Sedi Gaber, Alexandria, Egypt  
Telephone 203 541 1259 Facsimile 203 522 6350

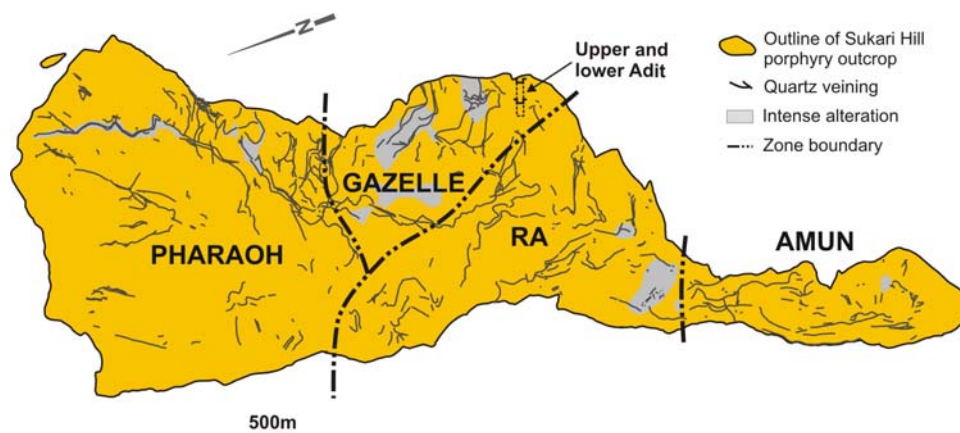
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## REPORT TO SHAREHOLDERS

### QUARTERLY HIGHLIGHTS

- ❖ Sukari JORC compliant resource upgraded to 9.01 million ounces of gold
- ❖ JORC compliant reserve figure of 3.7 million ounces of gold
- ❖ Completion of "economically robust" Definitive Feasibility Study (DFS)
- ❖ Formal Board approval for Sukari Development
- ❖ Completion of C\$151m Equity Raising and TSX listing
- ❖ Appointment of Barclays as Mandated Project Finance Lead Arranger
- ❖ Acquisition of 28MW power station
- ❖ Completion, submission and approval of Environmental Impact Assessment (EIA)
- ❖ Addition of a further RC rig takes drilling fleet on site to 10 rigs
- ❖ Record quarter of drilling, 33,133 metres drilled
- ❖ Project total drilling now exceeds 200,000m and 1,000 holes
- ❖ Drilling continues to encounter significant mineralisation
- ❖ Significant drill intersections for the quarter
  - RCD 421 - 120m @ 1.98g/t Au
  - RCD454 - 40m @ 8.65g/t Au
  - RCD574 - 30m @ 16.9g/t Au
  - RCD708 - 50m @ 1.90g/t Au
  - RCD735 - 28.6m @ 10.54g/t Au
  - RCD817 - 3m @ 47.29g/t Au
  - RCD741 - 138m @ 1.35g/t Au



### DEFINITIVE FEASIBILITY STUDY "DFS"

On February 19, 2007, the Company announced that the DFS into the Sukari Gold Project ("the Project") had been completed.

A summary of the findings of the DFS were:

- the DFS concluded that a 4mpta plant producing on average 200,000 ounces per annum, over 15 years of mining, is economically robust; and
- total Capital Construction costs are estimated at US\$216m with average cash operating costs of US\$290/oz (inclusive of 3% royalty) over the 15 year mining period.

On the same day, the Board of Directors formally approved the development of the Project.

## DEVELOPMENT SCHEDULE - UPDATE

Project Go-Ahead Decision	Feb 2007 (Completed)
Project Finance	Q3 2007 (Equity component complete)
Commence Site Works	Q3 2007
Commence Tailings Storage Facility	Q3 2007
Kori Kollo Plant Arrives Egypt	Q3 2007
Commence Mining Pre-strip	Q3 2007
Commissioning and Production	Q3 2008

An overview of the development schedule key items is set out below under the same headings:

### Project Finance

During the quarter, the Company completed a roadshow through London and North America with Westwind Partners Inc. At the completion of this roadshow, the Company placed approximately 175m new shares to raise C\$151m. The placing was heavily oversubscribed. Subsequent to this, the Company completed a full TSX listing and shares began trading on April 5. These equity funds will be applied to the Sukari development and represent the full equity component of the capital required to take the project into production.

On April 17, 2007, the Company announced that Barclays Capital, the investment banking division of Barclays Bank PLC, was appointed as Mandated Lead Arranger to arrange a financing facility of up to US\$100 million for the Project.

Together with the proceeds from the recently completed TSX listing and offering, this facility will complete the financing arrangements required for the development of the Project. The funding is subject to completion of due diligence and detailed documentation.

The due diligence process has commenced (April 2007) with the review of Project data, and visits to site by key banking personnel are scheduled for early May 2007. The Company is in receipt of the project financing schedule from Barclays Capital and expects to complete the financing of the Project in the third quarter of this year.

### Kori Kollo Process Plant

During the quarter a supervisory dismantling team from Australia, under the management of Centamin's Construction Manager, mobilised to site along with Kaiser Setec, a local Bolivian engineering company, who have been awarded the dismantling contract. Dismantling work commenced in February, following receipt of dismantling equipment and establishment of site facilities.

Progress at the end of the quarter is as follows:

- Crushing 65% complete
- Reclaim 25% complete
- Grinding 21% complete
- CIL 12% complete
- Thickener 37% complete
- Plant Services 93% complete
- Gravity Circuit 90% complete
- Cyanide Area Yet to commence

First shipment of dismantled equipment will commence in June and will largely consist of those requiring refurbishment outside of Egypt prior to importation to Alexandria and then site.

### Project Engineering and Design

A contract for the engineering and design work for the process plant was awarded in mid March to MetPlant Engineering Services Pty Ltd, an Australian based company. A technical team visited Bolivia (April) and will travel onto Egypt in early May to review the Kori Kollo processing plant dismantling progress and the Sukari plant site location respectively. Data and information gathered from these visits will be used to finalise design and engineering work. Completion of this work is scheduled for the second quarter of 2007 to enable plant site clearing and civil earthworks to commence in early July 2007.

An Egyptian engineering company, TCB Egypt, has been engaged to detail design and engineer the construction camp, kitchen-mess, desalination plant and sewerage treatment plant. These facilities will go out for tender bids in early May. Construction camp grading drawings are in progress and civils earthwork will commence once equipment, surveyors and a field engineer are established at site. The layout for the mine maintenance workshop has been finalised and issued for design.

This key development schedule item remains on track for completion as planned.

### **Tailings Storage Facility**

Knight Piesold Pty Ltd has been appointed to carry out the design and construction supervision of the Tailings Storage Facility with HDPE liner. A site visit for their engineer has been scheduled in May 2007 to conduct a geotechnical survey and identify borrow sources for all materials.

### **Mining**

Mr Tadek Wojtowicz commenced in the role of Mining Manager in mid March.

Discussions with fleet suppliers were held during the quarter, and at the conclusion of the tender process, Caterpillar, through their Egyptian authorised dealer Mantrac, was selected as the supplier of haulage trucks, articulated dump trucks, excavators, graders and dozers. Atlas Copco has been selected to supply grade control and blast hole drilling equipment. Final discussion over maintenance and repair contracts is being held, and will be completed during the June quarter.

Initial deposits on the long lead-time haulage trucks and excavators have been made, with arrival into the Port of Alexandria scheduled for late June 2007.

Recruitment of key expatriate personnel is well advanced with appointments scheduled to be made in May 2007.

### **Power Station**

During the quarter, the acquisition of a 28MW Heavy Fuel Oil second hand power plant currently decommissioned and resident in Turkey was finalised following inspection and assessment of its good condition. The purchase of this critical path item has removed a significant amount of project risk from the completion schedule and will also represent a material saving on the budgeted capex amount in the DFS for this item.

A contract for the dismantlement, packing and transportation within Turkey has been awarded to a Magdenli, a Turkish engineering group, with a small Centamin team currently in Turkey overseeing these activities. It is expected to take 16 weeks to dismantle. Maintenance support in Egypt for the equipment will be provided by the local Caterpillar dealer, Mantrac.

### **Owners Team**

The Company's organisational structure continues to grow with many key appointments being made in the quarter. In a booming resource market, the Company is very pleased with the quality of the personnel that have been attracted to the project and the positions below have now been filled. The Company will continue with its large "owners team" approach.

- Project Manager
- Deputy Project Manager (HSE/Infrastructure)
- Construction Manager
- Construction Supervisor
- GIS & Data Base Manager
- Senior Surveyor
- Mining Manager
- Senior Mine Engineer
- Mill Superintendent
- Logistics Manager
- Power Plant Superintendent
- Engineering Manager
- Project Controller
- Manager Procurement Services
- Purchasing Officer

## EXPLORATION AND DEVELOPMENT DRILLING

The Sukari Resource Model was upgraded during the quarter.

Total Resource (February 2007 – Global All Data)										
Cut-off	Measured		Indicated		Total (Measured and Indicated)			Inferred		
	Mt	g/t	Mt	g/t	Mt	g/t	Moz	Mt	g/t	Moz
0.5	47.39	1.40	73.98	1.39	121.37	1.39	5.42	52.80	1.70	2.84
0.7	34.44	1.70	53.45	1.69	87.89	1.69	4.78	38.60	2.10	2.57
1.0	22.40	2.16	34.36	2.16	56.76	2.16	3.94	25.90	2.70	2.25

The resource estimate was calculated by Hellman and Schofield Pty Ltd ("H&S") and is an estimate of recoverable tonnes and grade using Multiple Indicated Kriging with block support correction. Measured resources exist 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 broad spaced drilling. The resource model extends from 9700mN to 12200mN and to a maximum depth of 500RL (a maximum depth of 800 metres below surface). The estimate has been adjusted to present land surfaces and previous underground mining.

It was based on 168,000 metres of drilling from 817 diamond and RC drill holes which comprises of 88,421 two metre down hole composites and surface rock chip samples.

Drilling in the Ra, Gazelle and Pharaoh Zones (10700N – 11900N) continued to intersect high grade mineralisation. This further emphasizes that the initial mineralised zones encountered in Amun and the southern part of Ra continue through to northern Ra and Gazelle and then on to the northern Pharaoh zone. The following new intersections show the extensiveness of the mineralisation encountered in this quarter alone.

As announced on May 7, 2007, the Sukari global resource now stands at **194.42Mt @ 1.44g/t Au for 9.01 Moz Au, at a 0.5g/t Au cut off grade**, as set out in the table below:

Total Resource (May 2007 – Global All Data)										
Cut-off	Measured		Indicated		Total (Measured and Indicated)			Inferred		
	Mt	g/t	Mt	g/t	Mt	g/t	Moz	Mt	g/t	Moz
0.5	<b>52.15</b>	<b>1.39</b>	<b>83.62</b>	<b>1.39</b>	<b>135.76</b>	<b>1.39</b>	<b>6.07</b>	<b>58.7</b>	<b>1.6</b>	<b>2.94</b>
0.7	37.37	1.70	59.67	1.71	97.04	1.71	5.33	42.4	1.9	2.63
1.0	24.11	2.18	38.14	2.20	62.24	2.19	4.39	27.8	2.5	2.24

*Note 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 350mRL (a maximum depth of 950 metres below surface) and is based on all assay data available at 30 April 2007.

The majority of the resource has been added in the Ra and Gazelle zones from 11075N - 11225N with drilling confirming continuity of the major high grade Hapi Zone along strike to the north.

**Ra –Gazelle Zones**

- RCD421 – 120m @ 1.98g/t from 595m (incl. 1m @ 102g/t from 611m)
- RCD422 – 32m @ 1.57g/t from 501m (incl. 1m @ 28.6g/t Au)
- RCD427 – 2m @ 94g/t Au from 791m
- RCD454 – 40m @ 8.65g/t Au from 523m, incl. 1m @ 189g/t from 528m
- RCD530 – 34m @ 1.10g/t from 554m; 17m @ 2.04g/t from 646m and 83m @ 1.02g/t from 717m
- RCD708 – 50m @ 1.90g/t Au from 351m and 23m @ 4.30g/t from 556m
- RCD720 – 25m @ 1.36g/t Au from 231m and 8m @ 2.30g/t Au from 320m
- RCD726 – 7m @ 5.15g/t Au from 470m and 40m @ 1.45g/t Au from 531m
- RCD735 – 21m @ 1.04g/t Au from 90m; 20m @ 2.05g/t from 317m; 14m @ 2.15g/t Au from 351m; 30m @ 1.33g/t Au from 595m and 28.6m @ 10.54g/t Au from 658.4m
- D817 – 9m @ 6.33g/t Au from 345m; 3m @ 47.29g/t Au from 485m and 24m @ 1.39g/t from 547m
- D856 – 21m @ 2.25g/t Au from 36m and 28m @ 4.62g/t from 63m (incl. 2m @ 39.05g/t from 73m)
- D896 – 31m @ 1.69g/t Au from 250m and 11m @ 11.71g/t Au from 646m

**Pharaoh Zone (>11200N)**

- RCD574 – 30m @ 16.9g/t Au from 488m (incl. 1m @ 410g/t from 501m)
- RCD741 – 138m @ 1.35g/t Au from 601m
- RCD766 – 28m @ 1.48g/t Au from 39m
- RCD771 – 14m @ 2.50g/t Au from 5m and 11m @ 1.17g/t Au from 105m
- RCD776 – 42m @ 1.32g/t Au from 63m
- RCD779 – 29m @ 1.02g/t Au from 72m
- RCD783 – 20m @ 1.69g/t Au from 1m
- RCD784 – 73m @ 1.58g/t Au from 3m
- RCD787 – 62m @ 1.27g/t Au from 0m
- D827 – 29m @ 1.50g/t from 50m
- D842 – 21m @ 1.73g/t Au from 31m

The main areas of significant resource increase were:

- 11000N – 11150N – reflects the strong assays and significant widths of mineralisation intersected by holes that have tested and defined the strike extension of the Main and Hapi zones from the Amun zone. This zone was first intersected by hole RCD553 and has subsequently been followed up with holes, 660, 703, 710, 699, 726, 427, 421, 729, 733, 720, 735, 817 and 708.
- 11600N – 12000N Assays from infill drill holes in this area confirmed the near surface mineralisation, as well as continuing to identify deeper structures, with a high proportion of the resource now classified as measured and indicated resources.

**Ra – Gazelle Zone (10700 – 11200N)**

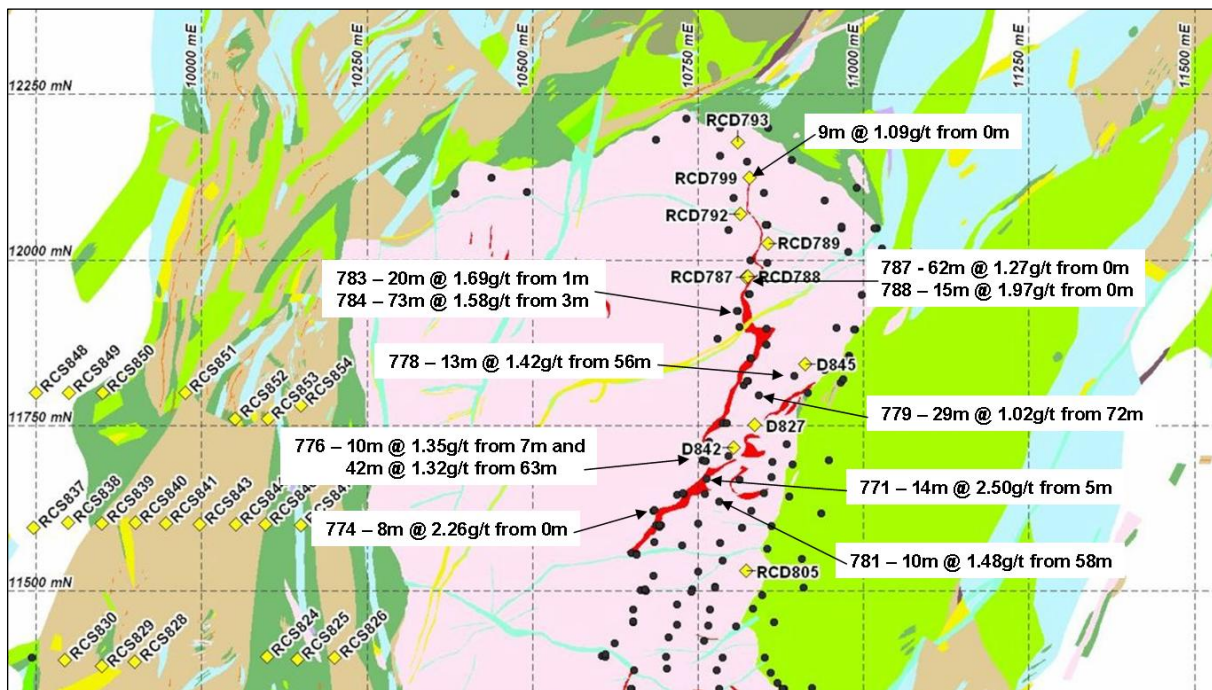
Drilling focused on moving northwards through the Ra and Gazelle zones into the Pharaoh zone, testing the strike continuity of the Main and Hapi mineralisation zones at depth, other stacked quartz vein - shear zones and associated stockwork mineralisation. The Main and Hapi zones continue to be successfully intersected, proving continuity of the mineralisation from the far south in the Amun Zone, to the northern extent of the deep drilling currently underway.

RCD454 on 10950N intersected 40m @ 8.65g/t Au from 523m, correlating well to intersections in 703 and D307, near the steep porphyry HW contact.

**Pharaoh Zone (>11200N)**

Holes 696, 698, 751, 745 and 746 were drilled from section 11225N to 11425N to test the strike extension of the Hapi and Main zone mineralisation intersected to the south, including the very encouraging broad mineralisation intersected in holes 896 and 530 on 11200N (Table 3). The holes have intersected these projected zones and other stacked zones, indicated by strongly sericite-clay-silica altered porphyry, intense quartz veining, sulphide mineralisation, some visible gold and areas of intense shearing. Assay results are awaited.

Surface mineralisation continued to be intersected in the Pharaoh zone north of 11500N proving continuity to the far north of the hill. A strong surface zone is particularly evident from 11900 – 12000N corresponding to the NE striking quartz reef previously mapped and rock chip sampled with strong assays.



For Centamin Egypt Limited

Josef El-Raghy  
 Managing Director/CEO

May 14, 2007

*Information in this report which relates to exploration, geology, sampling and drilling is based on information compiled by geologist Mr R Osman who is a full time employee of the Company, and is a member of the Australasian Institute of Mining and Metallurgy with more than five years experience in the fields of activity being reported on, and is a 'Competent Person' for this purpose and is a Qualified Person as defined in National Instrument 43-101 of the Canadian Securities Administrators. His written consent has been received by the Company for this information to be included in this report in the form and context which it appears.*

*The information in this report that relates to mineral resources is based on work completed by Mr Nicolas Johnson, who is a Member of the Australian Institute of Geoscientists. Mr Johnson is a full time employee of Hellman and Schofield Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and is a Qualified Person as defined in National Instrument 43-101 of the Canadian Securities Administrators. Mr Johnson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

## MANAGEMENT DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis of the Financial Condition and Results of Operations ("MD&A") for Centamin Egypt Limited (the "Company" or "Centamin") should be read in conjunction with the Interim Consolidated Financial Statements for the nine months ended March 31, 2007 which are unaudited. The effective date of this report is May 14, 2007.

The financial information presented in this MD&A has been prepared in accordance with the measurement and recognition criteria of Australian Generally Accepted Accounting Principles.

In addition to these Australian requirements, further information has been included in the Interim Consolidated Financial Statements for the nine months ended March 31, 2007 in order to comply with applicable Canadian securities law, as the Company is listed on the Toronto Stock Exchange.

Additional information relating to the Company, including the Company's most recent Annual Report for the year ended June 30, 2006 and other public announcements is available at [www.centamin.com](http://www.centamin.com).

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

### FORWARD LOOKING STATEMENTS

Some of the statements contained in this MD&A, including those relating to strategies and other statements, are predictive in nature, and depend upon or refer to future events or conditions, or include words such as "expects", "intends", "plans", "anticipates", "believes", "estimates" or similar expressions that are forward looking statements. Forward looking statements include, without limitations, the information concerning possible or assumed further results of operations as set forth herein. These statements are not historical facts but instead represent only expectations, estimates and projections regarding future events and are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations generally.

The forward looking statements contained in this MD&A are not guarantees of future performance and involve certain risks and uncertainties that are difficult to predict. The future results of the Company may differ materially from those expressed in the forward looking statements contained in this MD&A due to, among other factors, the risks and uncertainties inherent in the business of the Company. The Company does not undertake any obligation to update or release any revisions to these forward looking statements to reflect events or circumstances after the date of this MD&A or to reflect the occurrence of unanticipated events.

### BACKGROUND

Centamin is a mineral exploration and development company that has been actively exploring in Egypt since 1995. The principal asset of Centamin is its interest in the Sukari Project, located in the Eastern Desert of Egypt. The Sukari Project is at an advanced stage of development, with construction due to commence in July 2007 and first gold production expected during the third quarter of 2008.

A definitive feasibility study (the "DFS") for the development to commercial production of the Sukari Project was compiled in February 2007 by Roche Process Engineering Pty Ltd. The DFS provides that the capital cost to develop the project is estimated at US\$216.5 million (including mining fleet and contingencies but not including the leased mining fleet). According to the DFS, the Sukari Project reserve will be mined by a single open pit over a 15-year period. During that time 78 Mt ore grading 1.5 g/t is expected to be mined, containing 3.7 Moz gold. Over this 15-year mining period the project is expected to produce on average 200,000 oz of gold annually at an average cash operating cost of US\$290/oz.

The Sukari Project will be the first large-scale modern gold mine to be developed 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.

## SELECTED FINANCIAL INFORMATION FROM THE UNAUDITED INTERIM CONSOLIDATED INCOME STATEMENTS

	Three Months Ended March 31, 2007 A\$	Nine Months Ended March 31, 2007 A\$
Revenue	465,808	1,762,712
Other income	-	530,258
Administration expenses	(601,917)	(1,259,558)
Foreign exchange loss	(602,604)	(753,291)
Marketing expenses	(94,850)	(167,642)
Travelling expenses	(158,814)	(438,757)
Share based payments	(326,422)	(556,594)
Other expenses	(95,450)	(459,507)
Loss before income tax	(1,414,249)	(1,342,379)
Tax (expense)/income	-	-
<b>Net (loss) for the period</b>	<b>(1,414,249)</b>	<b>(1,342,279)</b>
<i>(Loss) per share</i>		
- Basic (cents per share)	(0.110)	(0.104)
- Diluted (cents per share)	(0.110)	(0.104)

Results for the Nine Months Ended March 31, 2007

*Revenue* of \$1,762,712 comprises interest revenue applicable on the Company's available cash and working capital balances and term deposit amounts.

*Other income* of \$530,258 is for a "profit on sale of fixed asset" non-cash accounting entry applicable on the sale of the exploration drilling rigs sold by under a sale and purchase agreement in a prior financial year. The accounting entry has been posted to recognise the accounting profit on sale as a result of the final progressive purchase payment being received.

*Administration expenses* of \$1,259,558 comprise expenditure incurred against communications, consultants, directors' fees, stock exchange listing fees, share registry fees, employee salaries and general office administration expenses.

*Foreign exchange loss* of \$753,291 is attributable to adverse exchange rate movements during the period as a result of the weakening United States dollar.

*Marketing expenses* of \$167,642 comprise investor relations activities and attendance at various trade shows and industry conferences.

*Travelling expenses* of \$438,757 are significant and comprise travel and accommodation for directors, company executives and consultants for industry and corporate purposes.

*Share based payments* of \$556,594 relates to the requirement to recognise the cost of granting options to directors, company executives and employees under AIFRS over the option vesting period.

*Other expenses* of \$459,507 comprise non-cash expenses for depreciation and employee entitlements.

The loss after tax of the consolidated entity for the nine months ended March 31, 2007 was \$1,342,279.

#### Results for the Three Months Ended March 31, 2007

*Revenue* of \$465,808 comprises interest revenue applicable on the Company's available cash and working capital balances and term deposit amounts.

*Administration expenses* of \$601,917 comprise expenditure incurred against communications, consultants, directors' fees, stock exchange listing fees, share registry fees, employee salaries and general office administration expenses.

*Foreign exchange loss* of \$602,604 is attributable to adverse exchange rate movements during the period as a result of the weakening United States dollar.

*Marketing expenses* of \$94,850 comprise investor relations activities and attendance at various trade shows and industry conferences.

*Travelling expenses* of \$158,814 are significant and comprise travel and accommodation for directors, company executives and consultants for industry and corporate purposes.

*Share based payments* of \$326,442 relates to the requirement to recognise the cost of granting options to directors, company executives and employees under AIFRS over the option vesting period.

*Other expenses* of \$96,450 comprise non-cash expenses for depreciation and employee entitlements.

The loss after tax of the consolidated entity for the nine months ended March 31, 2007 was \$1,414,249.

#### SELECTED FINANCIAL INFORMATION FROM THE UNAUDITED INTERIM CONSOLIDATED BALANCE SHEETS

	March 31, 2007 A\$	June 30, 2006 A\$
Total current assets	30,248,391	54,789,830
Total non-current assets	82,548,632	42,458,738
Total assets	112,797,023	97,248,568
Total current liabilities	18,114,991	1,187,188
Total non-current liabilities	-	205,448
Total liabilities	18,114,991	1,392,626
<b>Net assets</b>	<b>94,682,032</b>	<b>95,855,932</b>

*Current assets* have decreased to \$30,248,391 at March 31, 2007 as a result of expenditure incurred for completion of the definitive feasibility study on the Sukari Gold Project, ongoing exploration resource drilling at Sukari, acquisition of Kori Kollo second hand gold plant in Bolivia (South America) and initial construction activities at Sukari.

*Non-current assets* have increased to \$82,548,632 at March 31, 2007 as a result of the expenditure described in *Current assets* due to the Company's accounting policy to capitalise expenditure of this nature under the category of Exploration, Evaluation & Development.

*Current liabilities* have increased to \$18,114,991 at March 31, 2007 due to the acquisition of the Kori Kollo second hand gold plant in Bolivia (South America) and a second hand power plant in Turkey. The acquisition price for the Kori Kollo second hand gold plant was US\$11M of which US\$5.5M remains to be paid, as at March 31, 2007 as the third and final payment of this

transaction. The acquisition price of the second hand power plant was US\$9.75M of which US\$7.828M remains to be paid, as at March 31, 2007 as the third and final payment of this transaction.

*Non-current liabilities* as at March 31, 2007 have decreased to nil.

#### SELECTED FINANCIAL INFORMATION FROM THE UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Three months ended March 31, 2007 A\$	Nine months ended March 31, 2007 A\$
Total equity at beginning of period	96,595,012	95,855,932
Movement in issued equity	58,884	(390,114)
Movement in reserves	326,422	565,643
Loss for the period	(1,412,249)	(1,349,429)
<b>Total equity at end of period</b>	<b>94,682,032</b>	<b>94,682,032</b>

*Issued equity* has decreased due to the effect of timing differences in relation to equity raising costs being incurred early and in advance of the equity to be issued as a result of the Company's listing on the TSX in April 2007.

*Reserves* have increased due to the effect of expensing of share based option payments.

*Loss* for the quarter and nine month period is analysed under the section unaudited interim consolidated income statement.

#### SELECTED FINANCIAL INFORMATION FROM THE UNAUDITED INTERIM CONSOLIDATED CASH FLOW STATEMENTS

	Three months ended March 31, 2007 A\$	Nine months ended March 31, 2007 A\$
Net cash flow from operating activities	(647,657)	(806,775)
Net cash flow from investing activities	(8,606,763)	(23,191,590)
Net cash flow from financing activities	(720,986)	(390,114)
Net decrease in cash and cash equivalents	(9,975,406)	(24,388,479)
Cash and cash equivalents at the beginning of the financial period	40,014,485	54,493,427
Effects of exchange rate changes	(73,209)	(139,078)
<b>Cash and cash equivalents at the end of the financial period</b>	<b>29,965,870</b>	<b>29,965,870</b>

#### Nine Months Ended March 31, 2007

The net cash flow from operating activities in the nine months ended March 31, 2007 of (\$806,775) is attributable to payments for corporate salary and wage, corporate administration and compliance related costs.

The net cash flow from investing activities in the nine months ended March 31, 2007 of (\$23,191,590) is attributable to exploration expenditure of \$8,133,503, feasibility study expenditure of \$2,390,755, early Sukari development expenditure of

\$955,852 and payments for plant and equipment totalling \$11,711,479. This final amount is largely payments for the Kori Kollo second hand gold processing plant in Bolivia (South America) and initial payment for the second hand power plant in Turkey.

The net cash flow from financing activities in the nine months ended March 31, 2007 of (\$390,114) is attributable to equity raised through the conversion of employee share options of \$389,756 offset by costs of equity raising of \$779,870.

The overall net decrease in cash in the nine months ended March 31, 2007 of \$24,388,479, excluding the effect of exchange rate movements, results in a closing cash balance of \$29,965,870.

#### Three Months Ended March 31, 2007

The net cash flow from operating activities in the three months ended March 31, 2007 of (\$647,657) is attributable to payments for corporate salary and wage, corporate administration and compliance related costs.

The net cash flow from investing activities in the three months ended March 31, 2007 of (\$8,606,763) is attributable to exploration expenditure of \$2,761,687, feasibility study expenditure of \$777,809, early Sukari development expenditure of \$460,274 and payments for plant and equipment totalling \$4,606,993. This final amount is largely payments for the dismantling of the Kori Kollo second hand gold processing plant in Bolivia (South America) and initial payment for the second hand power plant in Turkey.

The net cash flow from financing activities in the three months ended March 31, 2007 of (\$720,986) is attributable to equity raised through the conversion of employee share options of \$58,884 offset by costs of equity raising of \$779,870.

The overall net decrease in cash in the three months ended March 31, 2007 of \$9,975,406, excluding the effect of exchange rate movements, results in a closing cash balance of \$29,965,870.

#### LIQUIDITY AND CAPITAL RESOURCES

The Company's principal source of liquidity as at March 31, 2007 is cash of \$29,965,870 (June 30, 2006 - \$54,493,427). Of this amount \$26,307,466 has been invested in short term commercial banks bills and term deposits.

The Company's principal sources of cash for the nine months ended March 31, 2007 were proceeds from cash investments and interest revenue received from cash investments.

The following is a summary of the Company's outstanding commitments as at March 31, 2007:

Payments due	Total A\$	Less than 1 year A\$	1 to 5 years A\$
Kori Kollo	6,733,100	6,733,100	-
Turkish Power Plant	9,583,037	9,583,37	-
Creditors	1,352,573	1,352,573	-
<b>Total commitments</b>	<b>17,668,711</b>	<b>17,668,711</b>	<b>-</b>

The Company's financial commitments are limited to controllable discretionary spending on work programs at the Sukari Project, the Kori Kollo plant dismantling site in Bolivia, the Turkish power plant dismantling site in Turkey, administration expenditure at the Egyptian and Australia office locations and for general working capital purposes.

The Company's financial obligations in relation to the Kori Kollo and Turkish plants are limited to the following:

- A US\$5.5 million payment, being the final balance owing on the acquisition cost of the Kori Kollo gold processing plant acquired in the early part of fiscal year 2007 presently located in Bolivia.
- A US\$9.75 million series of progressive payments relating to the acquisition of a second hand power generation plant acquired in February 2007 and presently located in Turkey. The first payment of US\$1.9 million was made

upon signing of the sale and purchase contract in February 2007, the second and third payments of US\$1.9 million each are due on April 30, 2007 and August 13, 2007, and the final payment is due upon the earlier of power plant location or the expiry date of a letter of credit established as security for the payments. This expiry date is October 9, 2007.

On April 17, 2007 the Company announced that it had appointed Barclays Capital, the investment banking division of Barclays Bank PLC, as Mandated Lead Arranger to arrange a financing facility of up to US\$100M for the Sukari Gold Project.

Other than described above the company has no other off balance sheet arrangements.

## OUTSTANDING SHARE INFORMATION

As at May 14, 2007 the Company had 755,534 232 fully paid ordinary shares issued and outstanding. The following table sets out the fully paid ordinary shares issuable under the Employee Share Option Plan and Warrants issued under the recent TSX listing:

<u>As at May 14, 2007</u>	<u>Number</u>
Shares on Issue	755,534,232
Options issued but not exercised	12,360,000
Warrants issued by not exercised	<u>8,794,691</u>
	<u><b>776,688,923</b></u>

## SEGMENT DISCLOSURE

The Company is engaged in the business of exploration for precious and base metals only, which is characterised as one business segment only.

## SIGNIFICANT ACCOUNTING ESTIMATES

Management is required to make various estimates and judgements in determining the reported amounts of assets and liabilities, revenues and expenses for each period presented and in the disclosure of commitments and contingencies. The significant areas where management uses estimates and judgements in preparing the consolidated financial statements are the determination of carrying values and impaired values of exploration assets.

## INTERNAL CONTROLS

The Company has made no change to its internal controls over financial reporting since June 30, 2006 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

## FINANCIAL INSTRUMENTS

At March 31, 2007 the Company has exposure to interest rate risk which is limited to the floating market rate for cash.

The Company 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 Australian dollars. The Company has no significant monetary foreign currency assets and liabilities apart from [Australian] cash term deposits which are held for the purposes of funding a portion of the mine construction for the Sukari Project.

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

## RELATED PARTY TRANSACTIONS

The related party transactions for the nine months ended March 31, 2007 are summarised below:

- Salaries, superannuation contributions, consulting and Directors fees paid to Directors during the nine months ended March 31, 2007 amounted to \$758,486 (March quarter: \$253,432).
- Mr S El-Raghy and Mr J El-Raghy are Directors and shareholders 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 March 31, 2007 amounted to \$41,065 (March quarter: \$13,923).
- Mr S El-Raghy provides office premises to the Company in Alexandria, Egypt. All dealings are in the ordinary course of business and on normal terms and conditions. Rent paid during the nine months ended March 31, 2007 amounted to \$14,916 (March quarter: \$5,169).
- Mr C Cowden, a non-executive director, is also a director and shareholder of Cowden Limited, which provides insurance broking services to the Company. All dealings with Cowden Limited are in the ordinary course of business and on normal terms and conditions. Insurance premiums paid to Cowden Limited during the nine months ended March 31, 2007 amounted to \$102,546 (March quarter: \$14,363).

## SUBSEQUENT EVENTS

### Allotment of Shares

On April 5, 2007 the Company announced an allotment of shares following the successful closing of the first tranche (the "First Tranche") of a total offering of 163,622,198 ordinary shares priced at C\$0.86 for total proceeds C\$140,715,090 (the "Offering"). The First Tranche represented 75,028,620 Ordinary Shares for gross proceeds of C\$64,524,613.

On April 11, 2007 the Company announced an allotment of shares following the successful closing of the second tranche (the "Second Tranche") of a total offering of 163,622,198 ordinary shares priced at C\$0.86 for total proceeds C\$140,715,090 (the "Offering"). The Second Tranche consisted of 88,593,578 Ordinary Shares priced at C\$0.86 for gross proceeds of C\$76,190,477. The Second Tranche closed following the approval by shareholders of the Company, at a meeting of shareholders held on April 10, 2007, of the issuance of 100 million shares under the Offering.

On April 20, 2007 the Company announced an allotment of shares to Westwind Partners Inc who acted as sole agent (the "Agent") for the Offering. Westwind Partners (UK) Limited, an affiliate of the Agent, acted as financial adviser to the Company. In addition, the Agent has been granted an over-allotment option to purchase up to an aggregate of 12,271,665 additional ordinary shares at C\$0.86 per share, exercisable as to 5,627,147 ordinary shares for 30 days from the closing of the First Tranche and exercisable as to 6,644,518 ordinary shares for 15 days from the closing of the Second Tranche. Westwind Partners Inc has fully exercised the over-allotment option for an additional 12,271,665 ordinary shares at C\$0.86 per share. The over-allotment raised additional gross proceeds of approximately C\$10.5 million or A\$11.2 million.

### Project Financing

On April 17, 2007 the Company announced that it had appointed Barclays Capital, the investment banking division of Barclays Bank PLC, as Mandated Lead Arranger to arrange a financing facility of up to US\$100M for the Sukari Gold Project.

### Project Environmental Approval

On May 2, 2007 the Company announced that it has received Environmental Approval from the Egyptian Environmental Affairs Agency (EEAY) for the Sukari Gold Project.

The accompanying Interim Consolidated Financial Statements for the quarter ended March 31, 2007 have been prepared in accordance with Australian Equivalents to International Financial Reporting Standards and has not been audited by the Company's Auditors.

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**UNAUDITED INTERIM CONSOLIDATED INCOME STATEMENTS**

	Three Months Ended March 31, 2007 A\$	Nine Months Ended March 31, 2007 A\$
	<hr/>	<hr/>
Revenue – Note 4	465,808	1,762,712
Other income – Note 4	-	530,258
Administration expenses	(601,917)	(1,259,558)
Foreign exchange loss	(602,604)	(753,291)
Marketing expenses	(94,850)	(167,642)
Travelling expenses	(158,814)	(438,757)
Share based payments	(326,422)	(556,594)
Other expenses	(95,450)	(459,507)
<b>Loss before income tax</b>	<b>(1,414,249)</b>	<b>(1,342,379)</b>
Tax (expense)/income	-	-
<b>Net loss for the period</b>	<b>(1,414,249)</b>	<b>(1,342,279)</b>
<i>Loss per share</i>		
- Basic (cents per share)	(0.110)	(0.104)
- Diluted (cents per share)	(0.110)	(0.104)

*The above Unaudited Interim Consolidated Income Statements should be read in conjunction with the accompanying notes.*

## UNAUDITED INTERIM CONSOLIDATED BALANCE SHEETS

	March 31, 2007	June 30, 2006
	A\$	A\$
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	29,965,870	54,493,427
Trade and other receivables	217,487	183,004
Prepayments	65,034	113,399
<b>Total current assets</b>	<b>30,248,391</b>	<b>54,789,830</b>
<b>NON-CURRENT ASSETS</b>		
Investments	4,728	-
Plant and equipment	29,004,977	1,070,101
Exploration, evaluation and development expenditure – Note 5	53,538,927	41,388,637
<b>Total non-current assets</b>	<b>82,548,632</b>	<b>42,458,738</b>
<b>Total assets</b>	<b>112,797,023</b>	<b>97,248,568</b>
<b>CURRENT LIABILITIES</b>		
Trade and other accounts payable	17,676,503	861,259
Provisions	438,488	325,929
<b>Total current liabilities</b>	<b>18,114,991</b>	<b>1,187,188</b>
<b>NON-CURRENT LIABILITIES</b>		
Trade and other accounts payable	-	205,448
<b>Total non-current liabilities</b>	<b>-</b>	<b>205,448</b>
<b>Total liabilities</b>	<b>18,114,991</b>	<b>1,392,626</b>
<b>NET ASSETS</b>	<b>94,682,032</b>	<b>95,855,932</b>
<b>EQUITY</b>		
Contributed equity – Note 7	114,953,620	115,344,046
Reserves	3,905,244	3,339,601
Accumulated losses	(24,176,832)	(22,827,715)
<b>TOTAL EQUITY</b>	<b>94,682,032</b>	<b>95,855,932</b>

*The above Unaudited Interim Consolidated Balance Sheets should be read in conjunction with the accompanying notes.*

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**UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Contributed Equity \$	Reserves \$	Options Reserve \$	Accumulated Losses \$	Total \$
<b>At July 1, 2005</b>	68,602,890	2,809,287	63,504	(23,847,593)	47,628,088
Profit for the period	-	-	-	1,010,830	1,010,830
Share options exercised	339,183	-	-	-	339,183
Cost of share based payments	-	-	475,858	-	475,858
Contributions of equity	46,401,973	-	-	-	46,401,973
Transfer to retained earnings	-	-	(9,048)	9,048	-
<b>At June 30, 2006</b>	115,344,046	2,809,287	530,314	(22,827,715)	95,855,932
Loss for the period	-	-	-	(1,342,279)	(1,342,279)
Share options exercised	389,688	-	-	-	389,688
Cost of share based payments	-	-	565,643	-	565,643
Contributions of equity (1)	(780,114)	-	-	-	(780,114)
Transfer to retained earnings	-	-	-	(6,838)	(6,838)
<b>At March 31, 2007</b>	114,953,620	2,809,287	1,095,957	(24,176,832)	94,682,032

(1) Contributions of equity is in deficit due to early accrual of equity raising fees associated with the Company's TSX listing completed in April 2007.

*The above Unaudited Interim Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.*

## UNAUDITED INTERIM CONSOLIDATED CASH FLOW STATEMENT

	Three Months Ended March 31, 2007 A\$	Nine Months Ended March 31, 2007 A\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(1,113,465)	(2,569,486)
Interest received	465,808	1,762,712
<b>Net cash generated by/(used in) operating activities</b>	<b>(647,657)</b>	<b>(806,775)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for property, plant and equipment	(4,606,993)	(11,711,479)
Sale of plant and equipment	-	-
Payments for exploration and evaluation	(3,999,770)	(11,480,111)
<b>Net cash generated by/(used in) investing activities</b>	<b>(8,606,763)</b>	<b>(23,191,590)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from the conversion of options	58,884	389,756
Proceeds from issues of shares	-	-
Share issue costs	(779,870)	(779,870)
<b>Net cash generated by/(used in) financing activities</b>	<b>(720,986)</b>	<b>(390,114)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(9,975,406)</b>	<b>(24,388,479)</b>
Cash and cash equivalents at the beginning of the period	40,014,485	54,493,427
Effects of exchange rate changes on the balance of cash held in foreign currencies	(73,209)	(139,077)
<b>Cash and cash equivalents at the end of the period</b>	<b>29,965,870</b>	<b>29,965,870</b>

*The above Interim Consolidated Cash Flow Statements should be read in conjunction with the accompanying notes.*

## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### Nature of Operations, Going Concern and Accounting Policies Statement of Compliance

Centamin Egypt Limited (the 'Company') and its subsidiaries (collectively 'the Group') are engaged in the exploration for precious and base metals located in the western desert region of Egypt. The Company was incorporated under the Corporations Law of South Australia on March 24, 1970.

These consolidated financial statements have been prepared in accordance with Australian general accepted accounting principles, as applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realise its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying consolidated financial statements. The Company has a need for financing for working capital, and the exploration and development of its mineral properties. The Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operations. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations.

### Basis of Preparation

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with generally accepted accounting principles in Australia. The financial statements are prepared using the same accounting policies and methods of application as those disclosed in note 1 to the consolidated financial statements for the year ended 30 June 2006, but they do not include all the disclosures required by Australian Accounting Standards for annual financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. Operating results for the three months ended 31 March 2007 are not necessarily indicative of the results that may be expected for the full year ending 30 June 2007. For further information see the Company's consolidated financial statements, including notes thereto, for the year ended 30 June 2006.

The significant accounting policies which have been adopted in the preparation of these unaudited interim consolidated financial statements are:

#### (A) ACCOUNTS PAYABLE

Trade payables and other accounts payable are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services.

#### (B) DEBT AND EQUITY INSTRUMENTS ISSUED BY THE COMPANY

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

#### (C) EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE

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

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

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

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

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

#### **(D) FOREIGN CURRENCY**

All foreign currency transactions during the period have been brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at balance date are translated at the exchange rate existing at that date.

Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. All exchange differences are brought to account in the interim consolidated income statement in the financial period in which they arise.

#### **(E) GOODS AND SERVICES TAX**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

#### **(F) IMPAIRMENT OF ASSETS (OTHER THAN EXPLORATION AND EVALUATION)**

At each reporting date, the consolidated entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Each cash generated unit is determined on an area of interest basis.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash generating unit) in prior years.

#### **(G) LOANS AND RECEIVABLES**

Trade receivables, loans, and other receivables are recorded at amounts due less any allowance for doubtful debts.

## **(H) PLANT AND EQUIPMENT**

Plant and equipment, and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Plant and equipment will include capitalised development expenditure. Cost includes expenditure that is directly attributable to the acquisition of the item as well as the estimated cost of abandonment. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on plant and equipment. Depreciation of capitalised development expenditure will be provided on a unit of production basis over recoverable reserves, whilst on other fixed assets are calculated on a straight line basis so as to write off the cost or other re-valued amount of each asset over its expected useful life to its estimated residual value.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

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

Plant & Equipment & Office Furniture	-	4-10 years
Motor Vehicles	-	2-8 years

## **(I) PRINCIPLES OF CONSOLIDATION**

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the consolidated entity, being the company (the parent entity) and its subsidiaries as defined in Accounting Standard AASB 127 "Consolidated and Separate Financial Statements". Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

The consolidated financial statements include the information and results of each subsidiary from the date on which the company obtains control and until such time as the company ceases to control such entity.

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

## **(J) REVENUE RECOGNITION**

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

## **(K) SHARE-BASED PAYMENTS**

Employee share options that vested before January 1, 2005 have not been expensed. The shares are recognised when the options are exercised and the proceeds are allocated to share capital.

Equity-settled share-based payments granted after November 7, 2002 that were vested on or after January 1, 2005, are measured at fair value at the date of grant. Fair value is measured under the Black-Scholes option valuation model. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the consolidated entity's estimate of shares that will eventually vest.

## **(L) SUPERANNUATION FUND**

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

## **(M) TAXATION**

### *Current tax*

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

#### *Deferred tax*

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company/consolidated entity intends to settle its current tax assets and liabilities on a net basis.

#### *Current and deferred tax for the period*

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

#### *Tax Consolidation*

The Company and all its wholly-owned Australian resident entities are part of a tax-consolidated group under Australian taxation law. Centamin Egypt Limited is the head entity in the tax-consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the "separate taxpayer within group" approach. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by the company (as the head entity in the tax-consolidated group).

Due to the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by the company and each member of the group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement. Where the tax contribution amount recognised by each member of the tax-consolidated group for a particular period is different to the aggregate of the current tax liability or asset and any deferred tax asset arising from unused tax losses and tax credits in respect of that period, the difference is recognised as a contribution to (or distribution to) equity participants.

## **NOTE 2: SEGMENT REPORTING**

### *Primary reporting – Business Segments*

The economic entity is engaged in the business of exploration for precious and base metals only, which is characterised as one business segment only.

### *Secondary reporting – Geographical Segments*

The principal activity of the economic entity during the year was the exploration for precious and base metals in Egypt and funding is sourced from Australia.

**NOTE 3: EVENTS SUBSEQUENT TO BALANCE DATE**

Allotment of Shares

On April 5, 2007 the Company announced an allotment of shares following the successful closing of the first tranche (the "First Tranche") of a total offering of 163,622,198 ordinary shares priced at C\$0.86 for total proceeds C\$140,715,090 (the "Offering"). The First Tranche represented 75,028,620 Ordinary Shares for gross proceeds of C\$64,524,613.

On April 11, 2007 the Company announced an allotment of shares following the successful closing of the second tranche (the "Second Tranche") of a total offering of 163,622,198 ordinary shares priced at C\$0.86 for total proceeds C\$140,715,090 (the "Offering"). The Second Tranche consisted of 88,593,578 Ordinary Shares priced at C\$0.86 for gross proceeds of C\$76,190,477. The Second Tranche closed following the approval by shareholders of the Company, at a meeting of shareholders held on April 10, 2007, of the issuance of 100 million shares under the Offering.

On April 20, 2007 the Company announced an allotment of shares to Westwind Partners Inc who acted as sole agent (the "Agent") for the Offering. Westwind Partners (UK) Limited, an affiliate of the Agent, acted as financial adviser to the Company. In addition, the Agent has been granted an over-allotment option to purchase up to an aggregate of 12,271,665 additional ordinary shares at C\$0.86 per share, exercisable as to 5,627,147 ordinary shares for 30 days from the closing of the First Tranche and exercisable as to 6,644,518 ordinary shares for 15 days from the closing of the Second Tranche. Westwind Partners Inc has fully exercised the over-allotment option for an additional 12,271,665 ordinary shares at C\$0.86 per share. The over-allotment raised additional gross proceeds of approximately C\$10.5 million or A\$11.2 million.

Project Financing

On April 17, 2007 the Company announced that it had appointed Barclays Capital, the investment banking division of Barclays Bank PLC, as Mandated Lead Arranger to arrange a financing facility of up to US\$100M for the Sukari Gold Project.

Project Environmental Approval

On May 2, 2007 the Company announced that it has received Environmental Approval from the Egyptian Environmental Affairs Agency (EEAY) for the Sukari Gold Project.

**NOTE 4: REVENUE**

	Nine months ended March 31, 2007 \$
<b>(a) Revenue</b>	
Interest revenue	1,762,712
<b>(b) Other income</b>	
Profit on sale of asset	530,258
	<u>2,292,969</u>

**NOTE 5: EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE**

	Nine months ended March 31, 2007 A\$
<b>Exploration and evaluation expenditure</b>	
- At Cost (a)	
Balance at the beginning of the period	41,388,636
Expenditure for the period	<u>12,150,292</u>
<b>Balance at the end of the period</b>	<u>53,538,928</u>

- (a) Included within the cost amount of assets is \$5,311,744 being the excess of consideration over the net tangible assets acquired on the acquisition of Pharaoh Gold Mines NL in January 1999. This amount has been treated as part of the cost of exploration and evaluation. Management believe that the recovery of these amounts will satisfactorily be made through the exploitation of the project in due course.

**NOTE 6: CONTINGENT LIABILITIES**

The Directors are not aware of any contingent liabilities as at the date of these unaudited interim consolidated financial statements.

**NOTE 7: CONTRIBUTED EQUITY**

	Consolidated	
	Nine months ended March 31, 2007 \$	Year ended June 30, 2006 \$
<b>(a) Issued and paid up capital</b>		
Balance at beginning of period	115,344,046	68,602,890
Exercise of options issued under the Employee Share Option Plan		
- 150,000 @ 23.10 cents	-	-
- 640,000 @ 23.10 cents	-	147,840
- 250,000 @ 29.00 cents	-	72,500
- 50,000 @ 35.00 cents	-	17,500
- 45,000 @ 28.04 cents	-	12,618
- 250,000 @ 35.49 cents	-	88,725
- 345,000 @ 28.04 cents	96,738	-
- 500,000 @ 23.10 cents	115,500	-
- 500,000 @ 35.49 cents	177,450	-
Placement of 75,000,000 shares @ 27.5p	-	46,401,973
FX Difference on Placement in April 2006	68	-
Contributions of Equity	(780,182)	-
	<u>114,953,620</u>	<u>115,344,046</u>
Balance at end of period		
<b>(b) Movements in ordinary share capital</b>		
Balance at beginning of financial year	578,295,369	115,344,046
Exercise of options issued under the Employee Share Option Plan		
- @ 0.2804 cents	345,000	96,738
- @ 0.2310 cents	500,000	115,500
- @ 0.3549 cents	500,000	177,450
Contributions of equity and FX difference on Placement in April 2006		(780,114)
	<u>579,640,369</u>	<u>114,953,620</u>
Balance at March 31, 2007		

	Nine months ended Unlisted Employee Options March 31, 2007 No.	Year ended Unlisted Employee Options June 30, 2006 No.
(c) Options		
Balance at beginning of period	7,840,000	3,325,000
Issued during the period	5,865,000	5,750,000
Exercised during the period	(1,345,000)	(1,235,000)
Lapsed/expired during the period	-	-
	<b>12,360,000</b>	<b>7,840,000</b>

The details of these options are as follows:-

Balance at beginning of the financial year

Options – Series	Number	Grant Date	Expiry/Exercise Date	Exercise Price \$
Issued 12 November 2003	500,000	12 November 2003	12 November 2006	0.2310
Issued 15 December 2003	500,000	15 December 2003	15 December 2006	0.3549
Issued 04 February 2005	775,000	04 February 2005	04 February 2008	0.2804
Issued 17 February 2005	365,000	17 February 2005	17 February 2008	0.2804
Issued 31 October 2005	4,200,000	31 October 2005	31 October 2010	0.3500
Issued 08 December 2005	1,500,000	08 December 2005	08 December 2008	0.4355
<b>Total number of options</b>	<b>7,840,000</b>			

Issued during the nine months to March 31, 2007

Options – Series	Number	Grant Date	Expiry/Exercise Date	Exercise Price \$
Issued 30 August 2006	250,000	30 August 2006	30 August 2009	0.6566
Issued 10 January 2007	2,000,000	10 January 2007	09 January 2009	0.8000
Issued 31 January 2007	3,615,000	31 January 2007	31 January 2010	0.7106
<b>Total</b>	<b>5,865,000</b>			

Exercised during the nine months to March 31, 2007

Options – Series	Number	Grant Date	Expiry/Exercise Date	Exercise Price \$
Issued 12 November 2003	500,000	12 November 2003	12 November 2006	0.2310
Issued 15 December 2003	500,000	15 December 2003	15 December 2006	0.3549
Issued 04 February 2005	180,000	04 February 2005	04 February 2008	0.2804
Issued 17 February 2005	165,000	17 February 2005	17 February 2008	0.2804
<b>Total</b>	<b>1,345,000</b>			

Lapsed during the period

There were no options that lapsed or expired during the nine months to March 31, 2007.

Balance at March 31, 2007

Options – Series	Number	Grant Date	Expiry/Exercise Date	Exercise Price \$
Issued 04 February 2005	595,000	04 February 2005	04 February 2008	28.04
Issued 17 February 2005	200,000	17 February 2005	17 February 2008	28.04
Issued 31 October 2005	4,200,000	31 October 2005	31 October 2010	35.00
Issued 08 December 2005	1,500,000	08 December 2005	08 December 2008	43.55
Issued 30 August 2006	250,000	30 August 2006	30 August 2009	0.6566
Issued 10 January 2007	2,000,000	10 January 2007	09 January 2009	0.8000
Issued 31 January 2007	3,615,000	31 January 2007	31 January 2010	0.7106
<b>Total number of options</b>	<b>12,360,000</b>			

The fair values of the stock options granted were estimated using the Black-Scholes options pricing model with the following assumptions and results:

Risk free interest rate:	5.50%
Dividend yield:	0.00%
Expected volatility:	60.0%
Expected term:	2 years

**NOTE 8: RELATED PARTY TRANSACTIONS**

The related party transactions for the nine months ended March 31, 2007 are summarised below:

- Salaries, superannuation contributions, consulting and Directors fees paid to Directors during the nine months ended March 31, 2007 amounted to \$758,486 (March quarter: \$253,432).
- Mr S El-Raghy and Mr J El-Raghy are Directors and shareholders 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 March 31, 2007 amounted to \$41,065 (March quarter: \$13,923).
- Mr S El-Raghy provides office premises to the Company in Alexandria, Egypt. All dealings are in the ordinary course of business and on normal terms and conditions. Rent paid during the nine months ended March 31, 2007 amounted to \$14,916 (March quarter: \$5,169).
- Mr C Cowden, a non-executive director, is also a Director and shareholder of Cowden Limited, which provides insurance broking services to the Company. All dealings with Cowden Limited are in the ordinary course of business and on normal terms and conditions. Insurance premiums paid to Cowden Limited during the nine months ended March 31, 2007 amounted to \$102,546 (March quarter: \$14,363).

**NOTE 9: LOSS PER SHARE**

Basic loss per share is calculated using the weighted average number of shares outstanding. Diluted loss per share is calculated using the treasury stock method. In order to determine diluted loss 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 loss per share calculation. The diluted loss per share calculation excludes any potential conversion of options and warrants that would increase earnings per share or decrease loss per share.

The effect of potential issuances of shares under stock options and warrants would be anti-dilutive, and accordingly basic and diluted loss per share are the same.

**NOTE 10: IMPACT OF RECONCILIATION BETWEEN AUSTRALIAN ACCOUNTING STANDARDS AND CANADIAN GAAP**

There are no material differences between the Income Statements, Balance Sheets, Statement of Changes in Equity and Cash Flow Statements presented under Australian accounting standards and Canadian GAAP.

**NOTE 11: COMPARATIVE FIGURES**

As the Company did not prepare interim financial information in the prior fiscal year, comparative interim information has not been presented. Certain comparative balance sheet figures have been reclassified to conform with the current period's presentation.

**Form 52-109F2 – Certification of Interim Filings**

I, Mark Smith, Chief Financial Officer of Centamin Egypt Limited, certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) of Centamin Egypt Limited (the issuer) for the interim period ended March 31, 2007;
2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings;
3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial conditions, results of operations and cash flows of the issuer, as of the date and for the period presented in the interim filings;
4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures for the issuer, and we have designed such disclosure controls and procedures, or caused them to be designed under our supervision, to provide reasonable assurance that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the interim filings are being prepared.

Date: May 14, 2007



Mark Smith  
Chief Financial Officer  
Egypt : May 14, 2007

**Form 52-109F2 – Certification of Interim Filings**

I, Josef El-Raghy, Managing Director/CEO of Centamin Egypt Limited, certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) of Centamin Egypt Limited (the issuer) for the interim period ended March 31, 2007;
2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings;
3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial conditions, results of operations and cash flows of the issuer, as of the date and for the period presented in the interim filings;
4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures for the issuer, and we have designed such disclosure controls and procedures, or caused them to be designed under our supervision, to provide reasonable assurance that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the interim filings are being prepared.

Date: May 14, 2007



Josef El-Raghy  
Managing Director  
Egypt : May 14, 2007