



CENTAMIN EGYPT LIMITED
(“Centamin” or the “Company”)
ACN 007 700 352

QUARTERLY REPORT FOR THE PERIOD ENDING 31 DECEMBER 2004

CORPORATE ACTIVITIES

During the quarter, significant structural and operational changes continued to occur within the Egyptian bureaucracy which should have a positive impact on the mineral sector.

His Excellency, Sameh Fahmy, the Minister for Petroleum in Egypt has now formally assumed responsibility for the management and development of the mineral resource sector. During the quarter a new division was created within the Ministry, dedicated to the advancement of the mineral resource sector. Numerous working meetings have been held with representatives of this group and also with the Minister himself and, as a consequence, we believe that the operational environment has significantly improved.

The Petroleum Ministry presently manages in excess of thirty commercial relationships with international companies such as Shell, Amoco, British Gas and Pennzoil and is actively involved in large project financing transactions relating to oil and gas infrastructure whereas the previous Ministry had no such commercial experience.

With the transfer of responsibility for the development of the mineral exploration and mining sector to the Petroleum Ministry, the Egyptian Geological Survey and Mining Authority (EGSMA) has been renamed the Egyptian Mineral Resource Authority (EMRA). Further commercial change occurred in December with the appointment of Dr Sherif Sousa as Chairman of EMRA. Dr Sousa was formerly the Chairman of Rasheed Gas, a large Egyptian public company. Company representatives have subsequently met several times with Dr. Sousa and can report that the relationship with EMRA is now one of co-operation and commercial understanding.

The Company believes that negotiations to permit a resumption of exploration and development activities at the Sukari Gold Project are in their final stages.

▪ Eastern Desert Concession (the “Concession”) – Legal Actions

As a consequence of the major political and economic changes being implemented by the Egyptian Government, the Company has, as a matter of policy, requested that the decision on the action currently before the Centre for Arbitration, be temporarily deferred to allow for amicable negotiations with EMRA to take place to resolve the dispute commercially between the parties.

▪ **EGSMA/EMRA – Status Report**

Following the publication of comments made by Mr Abdul El Hassan Abd El Raouf Soliman, the previous Chairman of EGSMA on the EGSMA website relating to the matters before the Court and the Centre, the Company wrote to Mr Soliman requesting him to formally withdraw or correct his comments on the basis that they were false and misleading. As no withdrawal or correction was forthcoming at the time, a penal action for false accusations was filed by the Company's subsidiary Pharaoh Gold Mines NL against Mr Soliman under Article 305 of the Egyptian Penal Code. We are pleased to report that during the quarter the comments were removed from the EMRA website and as such the company is now reviewing its position with respect to the action.

▪ **Sukari Project – Status Report**

The Sukari project is the most advanced gold project in Egypt and will be the country's first gold producer in the modern era. As such, the Company understands that it is important to seek resolution to all matters in a non-confrontational and co-operative manner wherever possible. The Company remains fully committed to helping develop a significant gold mining industry in the country.

Although this approach has taken significantly more time than anticipated, we believe it has and will provide for an even more supportive framework in which to contract with the Government during the lead up to and through project construction. The Company is resolved to continue to abide by both the spirit and intent of the Concession Agreement.

Seven drill rigs remain on site at Sukari ready to resume the task of completing infill and extension drilling. Tenders have been received for contract drilling on the resumption of activities at site and the Company is presently finalising contract details.

Metallurgical samples have been assembled and are ready for shipment to Australia as part of the Bankable Feasibility Study into the development of a 4 to 5 million tonne per annum processing facility.

For Centamin Egypt Limited



Josef El-Raghy
Managing Director
31 January 2005

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin : Appendix 8. Amended 1/7/98, 30/9/2001.

Name of Entity	
Centamin Egypt Limited	
ABN	Quarter ended ("current quarter")
86 007 700 352	31 December 2004

Consolidated statement of cash flows

Centamin Egypt Limited
Pharaoh Gold Mines NL (100%)
Viking Resources Ltd (100%)
North African Resources (100%)

	Current Quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(503)	(1,099)
(b) development	-	(1)
(c) production	-	-
(d) administration	(123)	(232)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	246	520
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(380)	(812)
Cash flows related to investing activities		
1.8 Payment for purchases of (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(94)	(99)
1.9 Proceeds from sale of (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	1
1.10 Loans to other entities *(Refer Note 1)	(598)	(1,196)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(692)	(1,294)
1.13 Total operating and investing cash flows (carried forward)	(1,072)	(2,106)

1.13 Total operating and investment cash flows (brought forward)	(1,072)	(2,106)
Cash flows related to financing activities		
1.14 Proceeds from issues of shares, options, etc.	-	-
1.15 Proceeds from sale of forfeited shares	-	-
1.16 Proceeds from borrowings *(Refer Note 1)	598	1,196
1.17 Repayment of borrowings	-	-
1.18 Dividends paid	-	-
1.19 Other (provide details if material)	-	-
Net financing cash flows	598	1,196
Net increase (decrease) in cash held	(474)	(910)
1.20 Cash at beginning of quarter/year to date	20,458	21,108
1.21 Exchange rate adjustments to item 1.20	(85)	(299)
1.22 Cash at end of quarter	19,899	19,899

*Note 1 - From the March 2004 Quarter onwards, the funding of exploration expenditure by the Holding Company to its subsidiaries will be disclosed as an inter-entity loan under sections 1.10 and 1.16 respectively.

Payments to directors of the entity and associates of the directors Payments to related entities of the entity and associates of the related entities	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	195,477
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

<p>(a) Mr S El-Raghy, a director, and an employee of Pharaoh Gold Mines NL received salary for the quarter amounting to \$91,540.</p> <p>(b) Mr J El-Raghy, a director and employee of the Company received salary and superannuation for the quarter amounting to \$58,053.</p> <p>(c) Mr S El-Raghy & Mr J El-Raghy are also Directors and Shareholders of El-Raghy Kriewaldt Pty Ltd ("El-Raghy Kriewaldt"). El-Raghy Kriewaldt provides office premises to the Company. All dealings with El-Raghy Kriewaldt are in the ordinary course of business and on normal terms and conditions. Rent paid to El-Raghy Kriewaldt during the current quarter amounted to \$8,569.</p> <p>(d) Directors fees and superannuation paid during the quarter amounted to \$19,875.</p> <p>(e) Services Dr T Elder, a non-executive director provides additional consulting services to the Company. All dealings with Dr T Elder are in the ordinary course of business and on normal terms and conditions. Consulting fees paid to Dr T Elder during the current quarter amounted to \$6,275.</p> <p>(f) Insurance Mr C Cowden, a non-executive director, is also a director and shareholder of Cowden Limited. Cowden Limited 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 current quarter amounted to \$11,164.</p>
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Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary fro an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,000
4.2 Development	30
Total	1,030

Reconciliation of Cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	305	309
5.2 Deposits at call	440	317
5.3 Bank overdraft	-	-
5.4 Term deposits	19,154	19,832
Total: cash at end of quarter (item 1.22)	19,899	20,458

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interest in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) increases through issues (b) decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	501,910,369	501,910,369		
7.4 Changes during quarter (a) increases through issues (b) decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) increases through issues (b) decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	<i>Employee Option Plan 2002</i>		<i>Exercise price</i>	<i>Expiry date</i>
	250,000	Nil	29.00 cents	11/11/2005
	1,160,000	Nil	23.10 cents	12/11/2006
	130,000	Nil	23.10 cents	17/11/2006
	750,000	Nil	35.49 cents	15/12/2006
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired/lapsed during quarter	3,000,000	Nil	23.62 cents	10/03/2009
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
2. This statement does give a true and fair view of the matters disclosed.



Sign here: Joint Company Secretary

Date: 31 January 2005

Print name: Heidi Brown

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
3. **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
4. The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
5. **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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